

Manitoba
Agriculture
and Food



Program & Policy Analysis

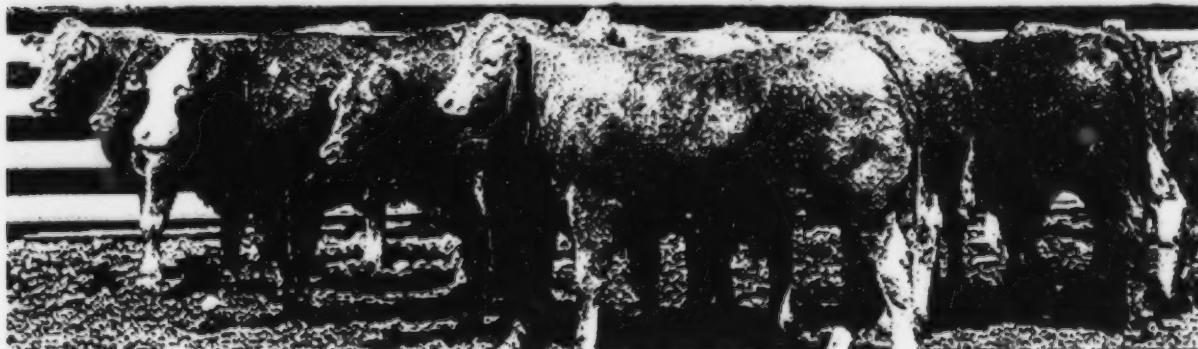
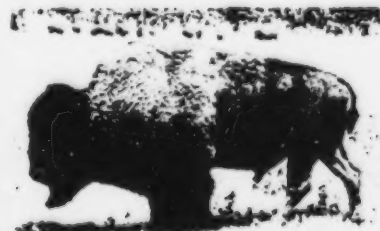
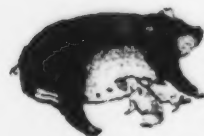
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Manitoba Livestock Industry Profiles



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June, 1999

SOURCES AND DEFINITIONS

Sources:

Agriculture and Agri-Food Canada
Alberta Agriculture, Food and Rural Development
Ayerst Organics Ltd.
Canadian Co-operative Wool Growers Ltd.
Canadian Food Inspection Agency
CANFAX
Manitoba Agriculture and Food
Manitoba Auction Markets
Manitoba Milk Producers
Manitoba Pork
Manitoba sheep and goat producers
Statistics Canada
Winnipeg Livestock Sales

Definitions:

Marketings - Slaughter of Manitoba-origin livestock in Manitoba + Exports of livestock to other provinces and countries - Imports of livestock from other provinces and countries + livestock custom-killed on Manitoba farms.

Production - Slaughter of Manitoba-origin livestock in Manitoba + Exports of livestock to other provinces and countries - Imports of livestock from other provinces and countries + livestock custom-killed on Manitoba farms +/- change in on-farm livestock inventory from January 1 - January 1.

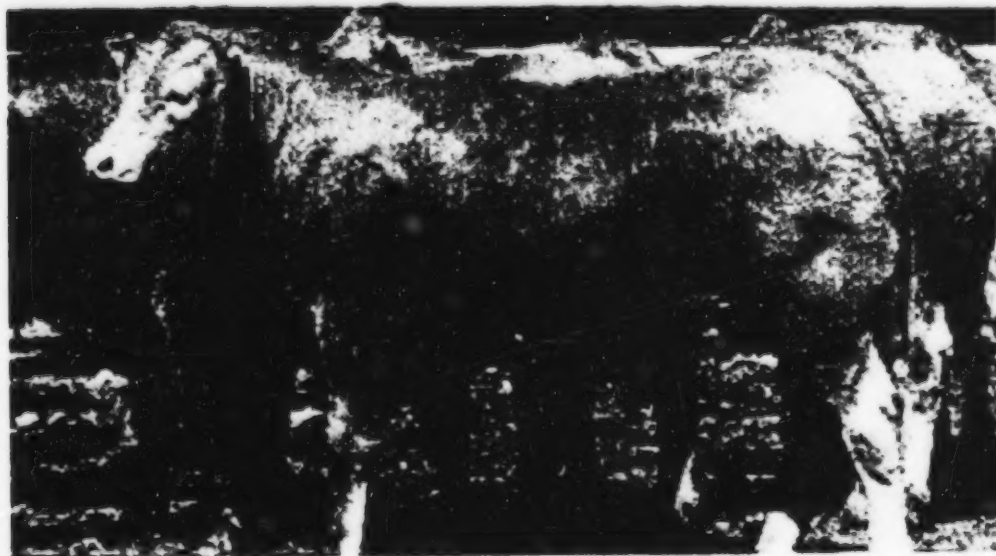
Farm Cash Receipts - Marketings in calendar year x average farm gate price (cash income) + Direct program payments.

Value of Production - Livestock production as defined above x average farm gate price.

Exports - The data may exclude Manitoba product marketed through companies in other provinces and subsequently exported or may include product from other provinces exported by Manitoba companies e.g. pork shipped from Manitoba plants to plants in Ontario and Quebec for further processing and export.

Imports - The data may exclude imported product sold in Manitoba by companies from other provinces e.g. New Zealand lamb imported by a national company with its head office in Calgary, but sold to Manitoba consumers, may be included with Alberta imports.

CATTLE AND BEEF SECTOR



CATTLE AND BEEF SECTOR PROFILE

Production:

Manitoba has Canada's third largest beef cow herd, after Alberta and Saskatchewan, with 12.2 percent of the nation's beef cows and more than 1.4 percent of total North American beef cows in 1999. Beef cow numbers in Manitoba increased fairly steadily at an average annual rate of about two percent from 1987 until 1992. Cow numbers then rose by an annual average rate of almost six percent to 1997. According to Statistics Canada, Manitoba's beef cow herd declined by one percent in both 1998 and 1999. In 1999, Manitoba's 10,920 beef cattle producers marketed almost 537,000 head for slaughter or sale out of the province. Commercial marketings were up by 31,000 head from the 1998 level, partly due to more animals being kept on farms for further feeding and sale in early 1999 and partly due to more calves being sold in fall 1999 in response to high calf prices. The value of cattle produced (including a decrease in inventory) in 1999 was more than \$444 million, about one-sixth of the total value of agricultural production in the province. Over 97 percent of commercial beef cattle operations were cow-calf with many producers retaining and/or buying calves for further feeding to be sold as "stockers", "short-keeps" or for slaughter. The remaining 3 percent of commercial operations were feedlots, the largest of which had a capacity of 6,500 head. The beef cattle industry used close to \$130 million of feed in 1999.

Marketings and Exports:

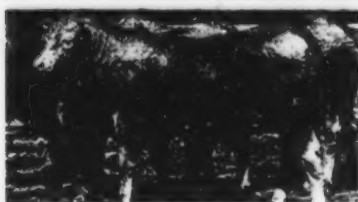
As Manitoba's cattle slaughter industry has declined from a peak of 581,000 head in 1976 to 19,600 head in 1999, most of the beef cattle produced in Manitoba have to be sold out of the province. In 1999, almost 160,000 Manitoba slaughter cattle and 10,000 feeder cattle, valued at \$176.8 million, were exported to the U.S., while a net 27,000 slaughter cattle and an estimated net 320,000 feeder cattle and calves were sold mainly to Alberta and Ontario.

Beef Processing:

Two small federally-inspected plants slaughtered about 7,200 cattle in 1999, while over 12,400 head were killed in 26 provincially-inspected plants in Manitoba. Beef production was estimated at 13.9 million lb. (carcass weight) valued at \$20 million. Beef and beef products valued at \$6.5 million were exported in 1999 with most of the exports going to the U.S.A. Much of the beef consumed in Manitoba comes from Alberta or the United States. Beef valued at \$12.3 million and hides valued at \$17.0 million were imported from other countries in 1999.

Potential:

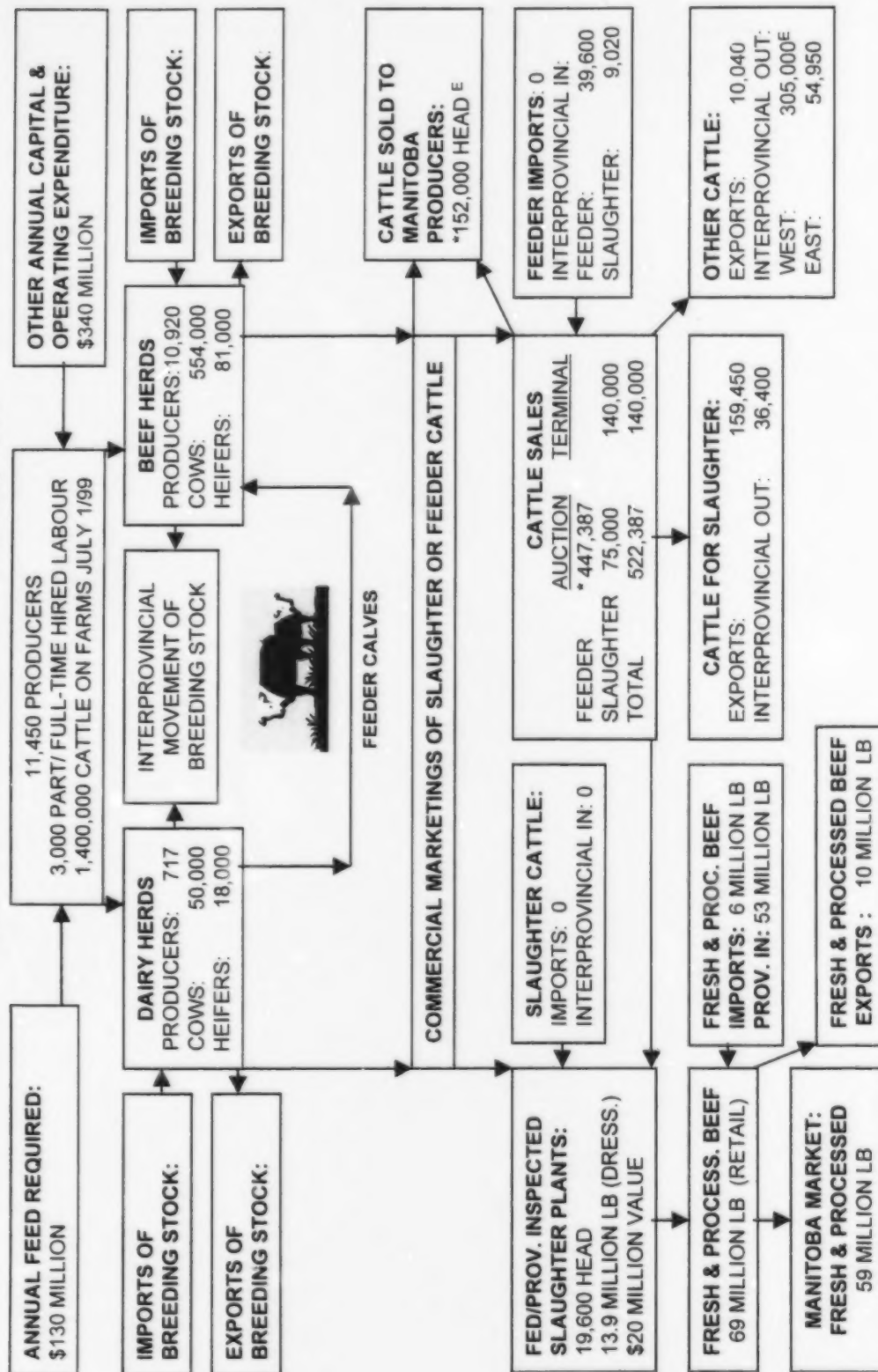
Manitoba has the potential to significantly increase the number of cattle fed to slaughter weight in the province. Less than one third of the calves produced are fed to slaughter weight, the remainder being sold as calves, as stockers or as heavy feeders.



CATTLE AND BEEF SECTOR

	1996	1997	1998 ^R	1999 ^P	'99 as a % of '98
NO. OF BEEF CATTLE FARMS:	11,900	11,760	11,290	10,920	97
(farms, 51+% of income from beef cattle):	5,515	6,870	6,815	6,900	101
CATTLE ON FARMS JULY 1 ('000):					
Bulls (incl. dairy)	30.0	29.0	25.0	26.0	104
Beef Cows	540.0	566.0	560.0	554.0	99
% of Canada	11.3	12.2	12.2	12.2	
Beef Replacement Heifers	95.0	93.0	85.0	81.0	95
Beef Slaughter Heifers	73.0	81.0	86.0	62.0	72
Steers	80.0	90.0	97.0	89.0	92
Calves under one year (incl. dairy)	535.0	520.0	525.0	520.0	99
Beef Cattle (incl. dairy bulls/calves)	1,353.0	1,379.0	1,378.0	1,332.0	97
% of Canada	10.2	10.6	10.3	10.1	
CATTLE/CALF PRODUCTION ('000):	500	473	479	521	109
% of Canada	10.1	9.5	9.6	10.9	
AVERAGE CATTLE PRICES (\$/cwt):					
Grade A Steers	78.69	82.70	82.63	86.78	105
D1,2 Cows	47.22	51.91	53.30	56.40	106
Feeder Steers (800-900lb.)	75.91	94.38	99.42	104.84	105
Steer Calves (500-600lb.)	79.90	106.40	116.84	126.48	108
VALUE OF CATTLE PROD (\$ million):	325	370	415	444	107
CATTLE CASH RECEIPTS (\$ million):	311.5	373.8	455.6	448.7	98
% of Canada	6.6	7.1	8.0	7.2	
CATTLE SLAUGHTER:					
Inspected slaughter in Manitoba	39,158	31,227	20,384	19,611	96
% of Canada	1.2	1.0	0.6	0.5	
Mb-origin Slaughter in Canada	63,824	55,029	39,550	56,000	142
% of Canada	1.9	1.7	1.1	1.5	
BEEF PRODUCTION (million lb. dress)	25.8	21.0	14.0	13.9	99
(\$ million estimate):	34	30	19	20	105
EXPORTS:					
Cattle (\$ million)	186.5	220.0	238.4	173.5	73
Beef/Beef Products (\$ million)	3.4	4.3	5.2	6.5	125
Cattle Hides (\$ million)	0.5	0.4	0.5	0.5	100
IMPORTS:					
Cattle (\$ million)	0.1	0.3	0.6	0.8	148
Beef/Beef Products (\$ million)	10.7	9.8	13.3	12.3	92
Cattle Hides (\$ million)	22.2	26.4	16.7	17.0	102
CDN. PER CAPITA DISAPPEARANCE:					
Beef and veal (carcass weight (kg))	32.7	32.3	32.0	32.3	101

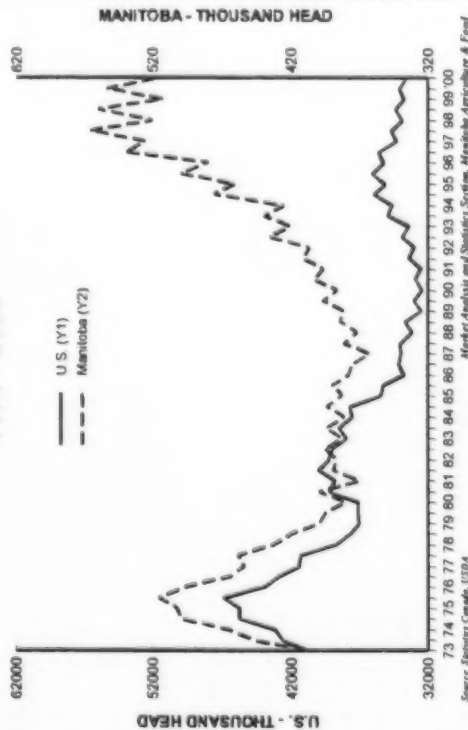
BEEF CATTLE INDUSTRY CHART, 1999



DATA SOURCE: Manitoba Agriculture & Food, Statistics Canada, Agriculture & Agri-Food Canada, Manitoba Auction Markets.
^E Estimated * Some cattle may be sold more than once.

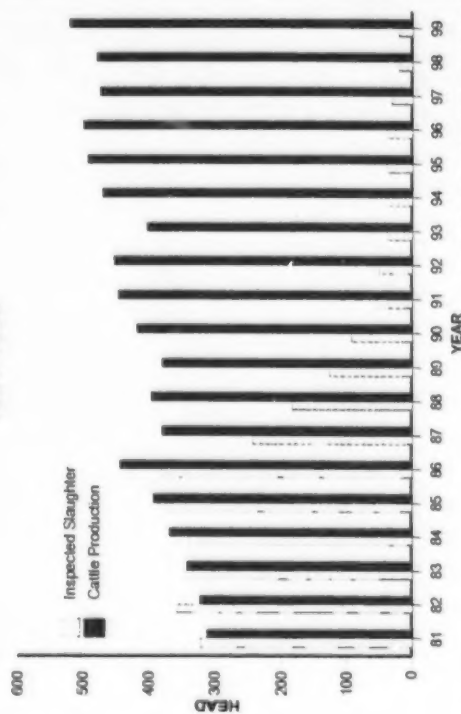
MANITOBA AND U.S. BEEF COW INVENTORY

1973 - 2000



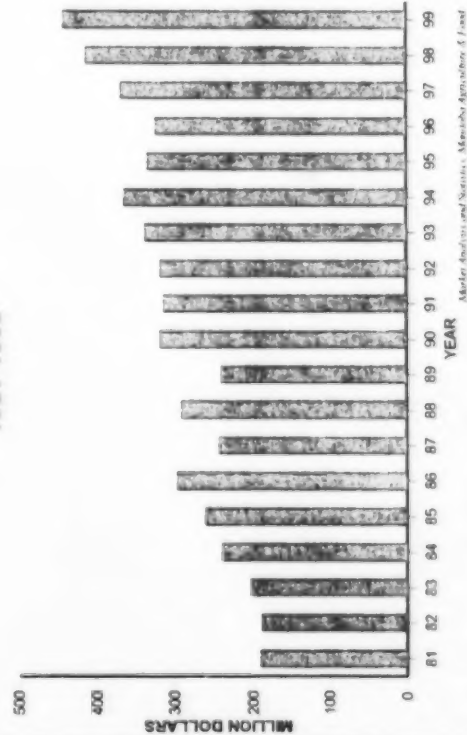
CATTLE PRODUCTION AND SLAUGHTER, MANITOBA

1981-1999



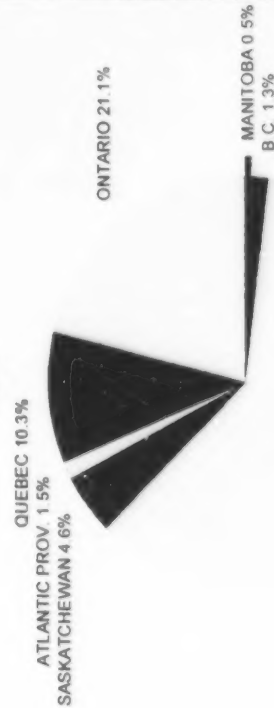
VALUE OF CATTLE PRODUCTION

1981-1999

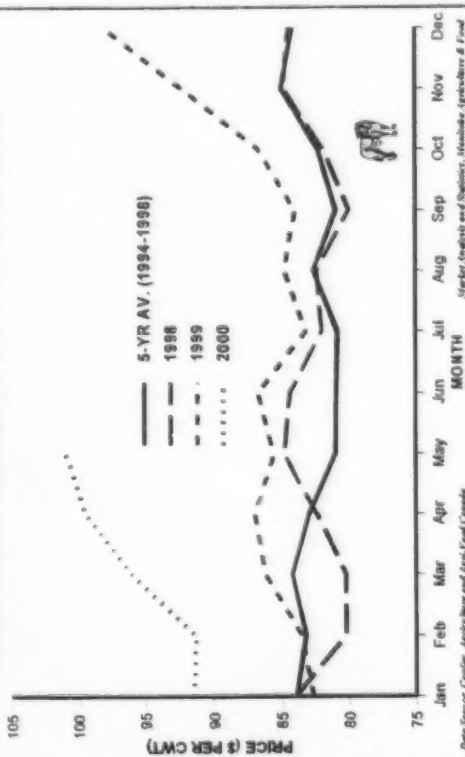


CATTLE/CALF SLAUGHTER BY PROVINCE

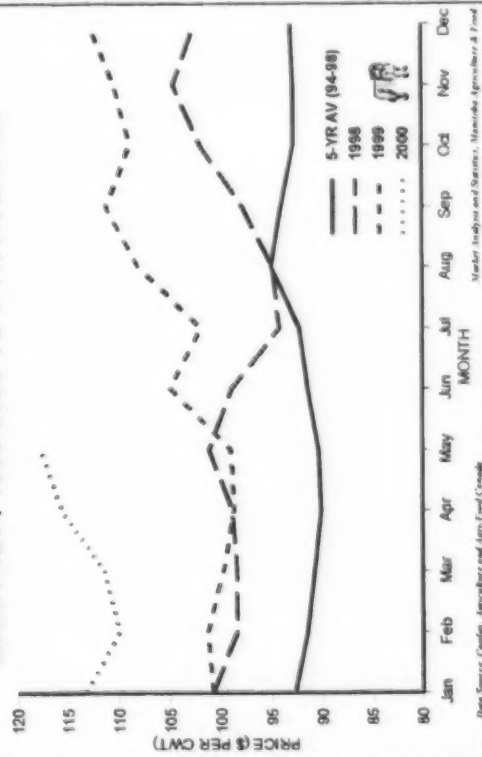
1999



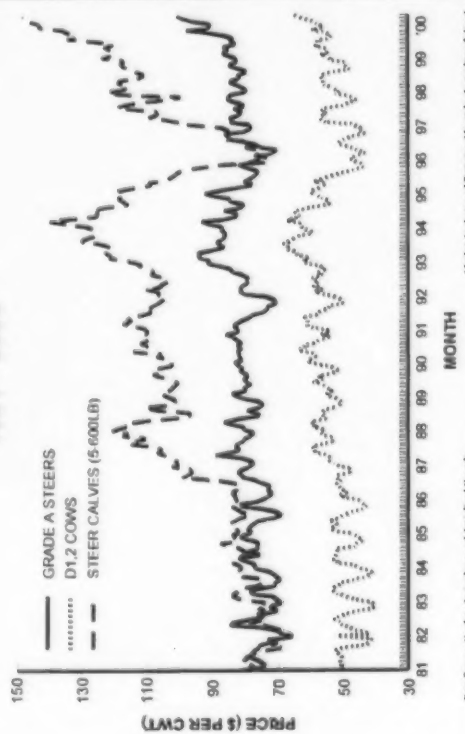
SEASONAL GRADE A STEER PRICES MANITOBA, 1998-2000 VS 5-YR AVERAGE



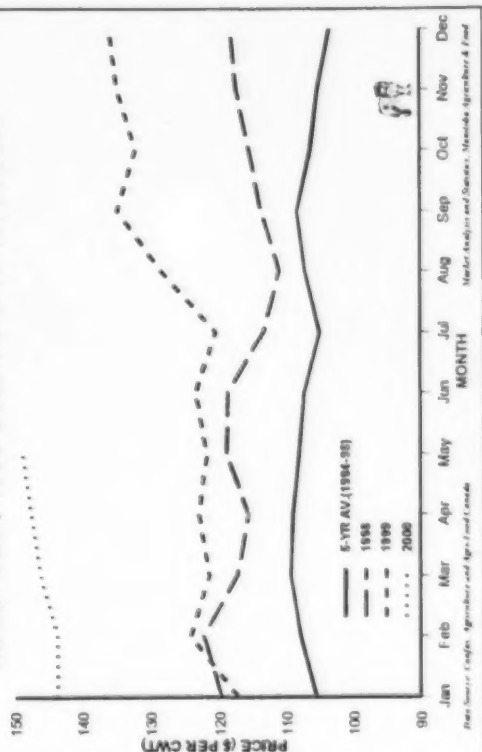
SEASONAL FEEDER STEER (8-900LB) PRICES MANITOBA, 1998-2000 VS 5-YR AVERAGE



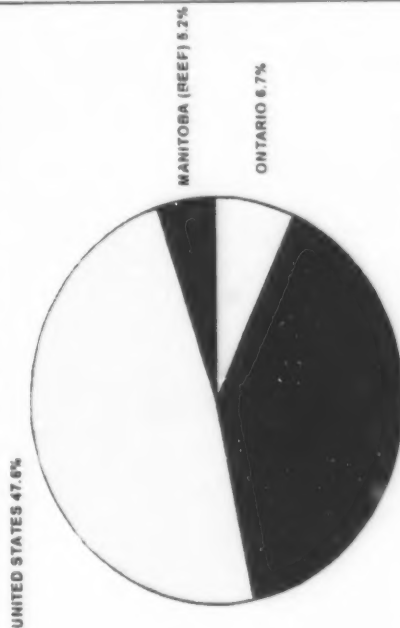
MANITOBA CATTLE PRICES BY MONTH 1981 - 2000



SEASONAL FEEDER CALF (5-600LB) PRICES MANITOBA, 1998-2000 VS 5-YR AVERAGE



MANITOBA CATTLE*/BEEF: DESTINATION AND PERCENTAGE OF CATTLE* MARKETINGS, 1999



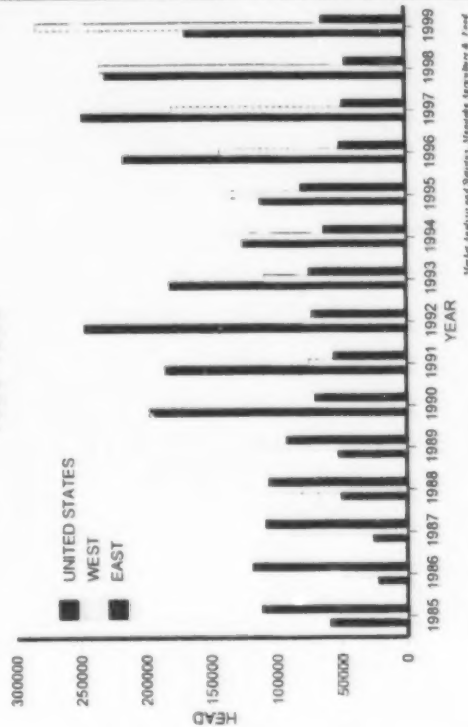
ALBERTA & SASKATCHEWAN 40.5%

* Cattle slaughtered or shipped from Manitoba converted to carcass equivalent weight

Market Analysis and Statistics, Manitoba Agriculture & Food

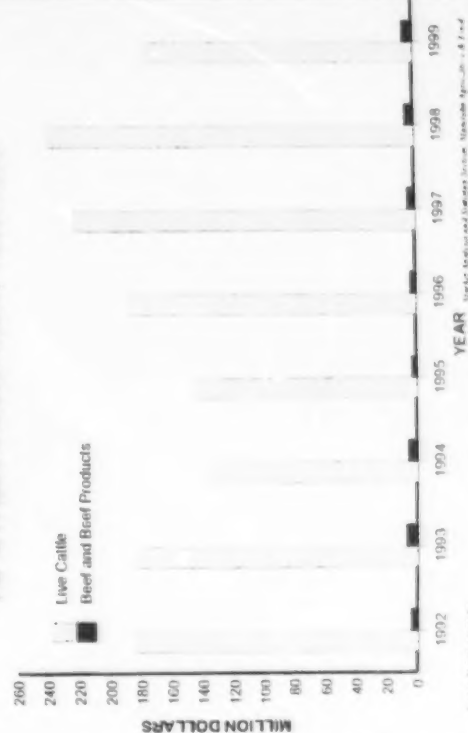
ESTIMATED MOVEMENT OF MANITOBA CATTLE 1985-1999

1985-1999



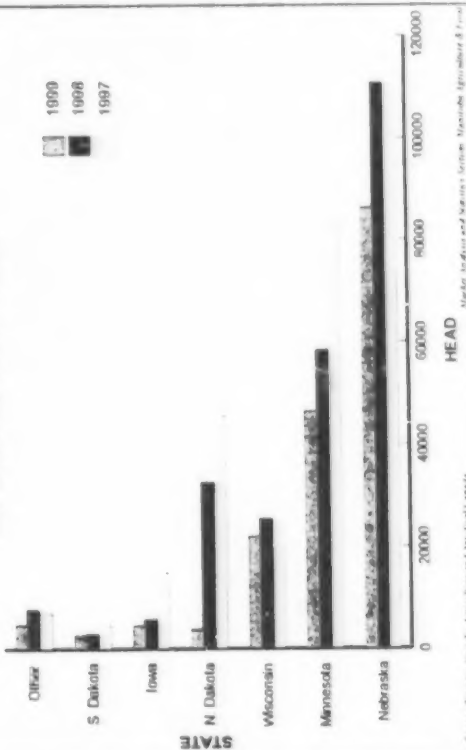
Market Analysis and Statistics, Manitoba Agriculture & Food

MANITOBA CATTLE & BEEF EXPORTS TO OTHER COUNTRIES, 1992-1999



Market Analysis and Statistics, Manitoba Agriculture & Food

EXPORTS OF MANITOBA CATTLE TO USA BY STATE, 1997 - 1999



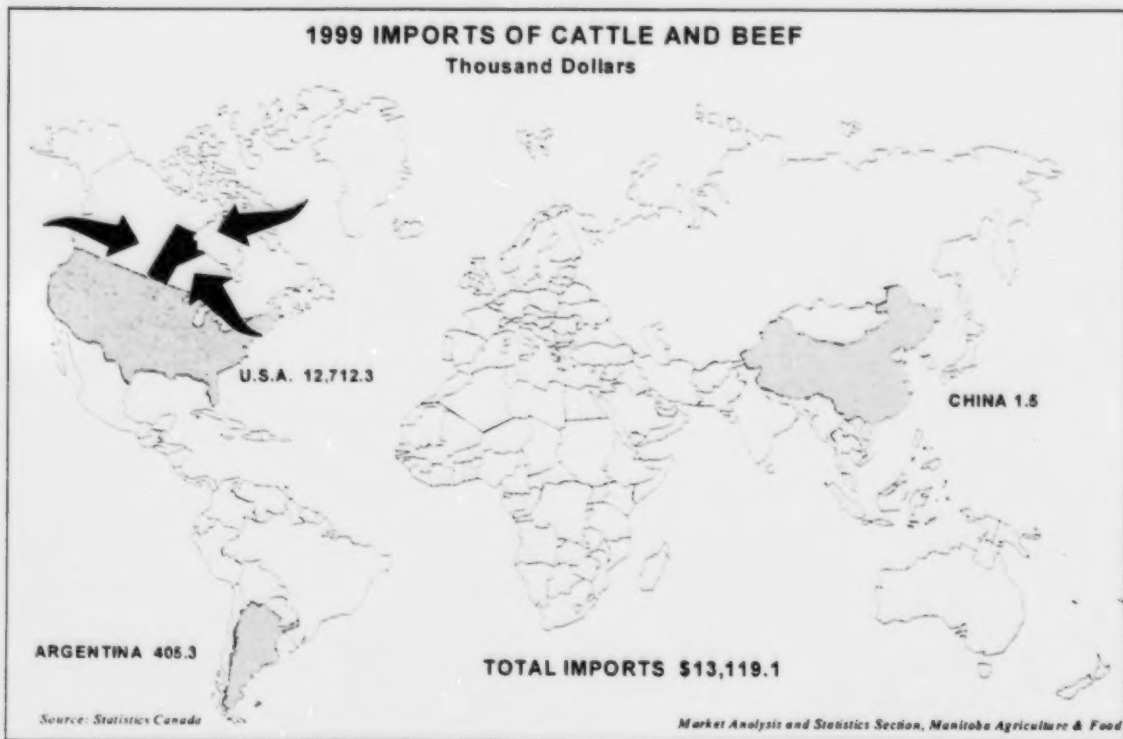
Source: Statistics Canada, Agriculture and Agri-Food Canada

Market Analysis and Statistics, Manitoba Agriculture & Food

1999 EXPORTS OF CATTLE AND BEEF Thousand Dollars



1999 IMPORTS OF CATTLE AND BEEF Thousand Dollars



HOG AND PORK SECTOR



HOG AND PORK SECTOR PROFILE

Production:

Manitoba is Canada's third largest hog-producing province, after Quebec and Ontario, with 20.7 percent of national production and almost four percent of total North American production in 1999. Hog production in the province has increased more than fivefold from 1975 to 1999. In the past four years, the average annual rate of increase was 12 percent.

In 1999, Manitoba's 1,630 hog operations produced 4.75 million hogs (including an inventory reduction of 132,200 head), an increase of 17 percent from 1998. Hog prices began to rise in early 1999 from the significant drop in December, 1998 and, for the year, averaged three percent above the 1998 level. The value of hogs produced increased by 13 percent to \$476 million in 1999. This was about 16 percent of the total value of agricultural production in the province. About 13 percent of commercial hog operations produce weanlings only, 40 percent are farrow to finish and 47 percent are feeder operations. The hog industry used \$247 million of feed in 1999.

The quality of Manitoba hogs is one of the highest in Canada. The average hog Index in 1999 was 109.8 compared to 108.8 in 1998.

Hog Marketings:

A flexible marketing system for hogs was introduced in Manitoba on July 1, 1996. Hog producers have the option to market hogs to be slaughtered in the province either through brokers, such as Manitoba Pork Marketing Coop, Inc., or directly to processing plants. Hog marketings totalled almost 4.89 million head in 1999, of which over 2.33 million head were sold out of the province. Over 0.91 million slaughter hogs, about 0.02 million breeding gilts and 1.35 million weanlings were exported directly to the U.S. by hog producers and brokers. Less than 0.05 million hogs were sold to Ontario and Quebec in 1999, triple the 1998 level, but well below the levels in 1995 and 1996. Improved demand for hogs by expanding local pork processors led to 2.57 million Manitoba hogs being killed in Canadian plants in 1999, up by 14 percent from 1998.

Pork Processing:

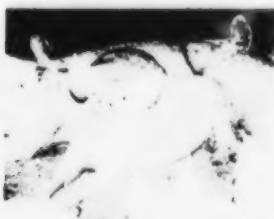
Maple Leaf Pork began operation of a new state-of-the-art hog slaughter plant in Brandon on September 7, 1999. The plant has a capacity of 45,000 head per week for one shift. The company closed the slaughter line in its Winnipeg plant in mid-November. Jack Forgan Meats of Winnipeg ceased operation in 1998. Since then, Best Brand Meats have operated the hog slaughter plant. Expanded hog slaughter levels at J.M. Schneider

and Springhill Farms also contributed to a new record provincial slaughter level in 1999. The four major and two minor federally-inspected plants and 27 provincially-inspected plants in Manitoba killed over 3.07 million hogs in 1999, including 515,000 head from Alberta, Saskatchewan and Ontario. This was nine percent above the 1998 level. The average carcass weight of Manitoba hogs continued to increase in 1999 to 89.3 kg (equivalent to about 112 kg or 250 lb of live hog). An estimated 275 million kg of pork (carcass weight) was produced with a total wholesale value of close to \$750 million.

Trade:

Manitoba hogs were shipped to 23 states in 1999 compared to 21 states a year earlier. Most of the slaughter hogs went to plants in South Dakota, Iowa, Wisconsin and North Dakota, while most weanlings were sold to feeder operations located in Iowa, Minnesota, Nebraska and South Dakota.

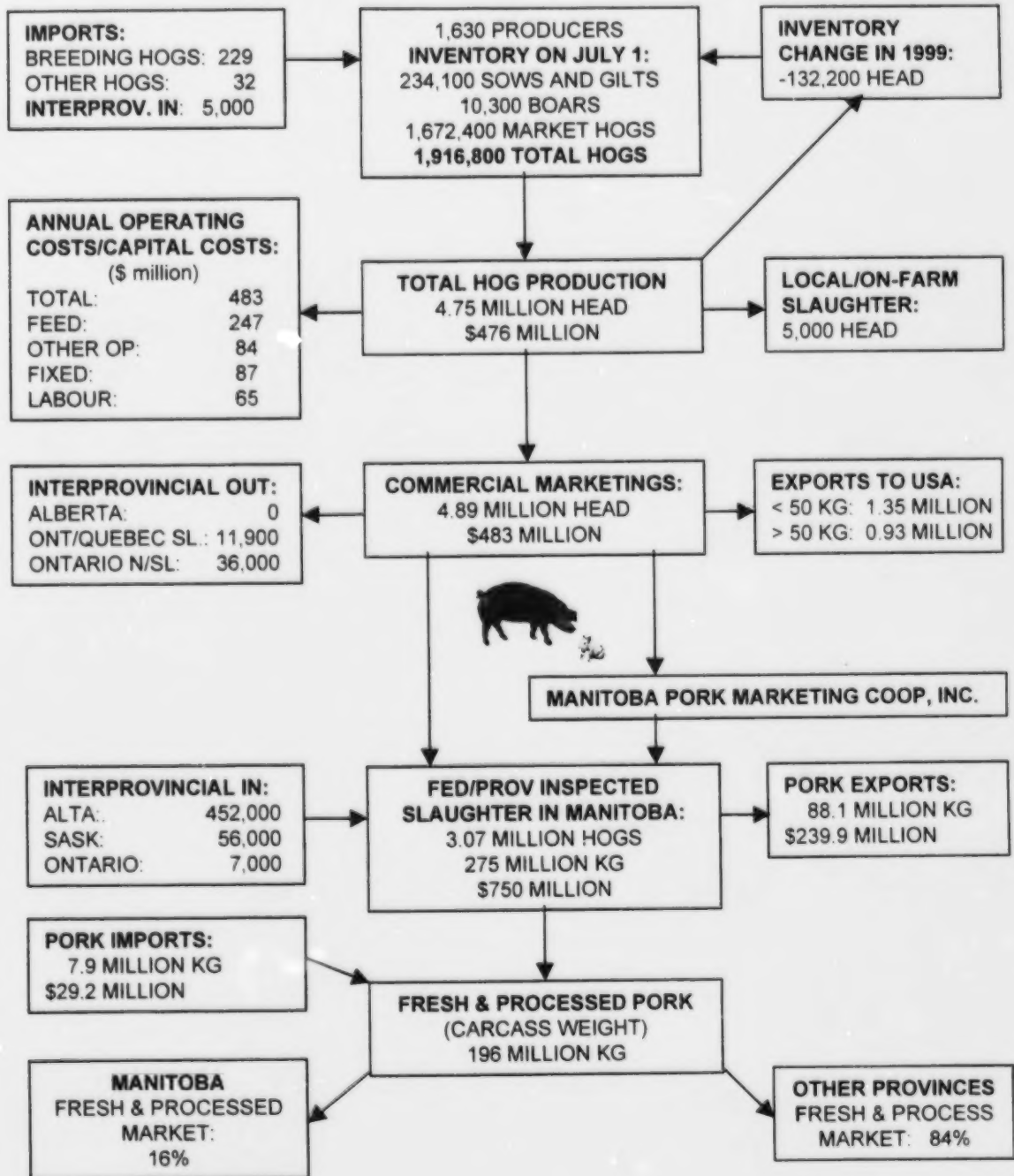
As Manitobans only consumed about 11 percent of the total pork produced in the province and the equivalent of only nine percent of all Manitoba hogs/pork marketed in 1999, most of the pork produced in Manitoba has to be sold to other provinces or countries. It appears that 60 percent (165 million kg) of pork produced by Manitoba plants in 1999 was shipped to other provinces, such as Ontario. Over 88 million kg of Manitoba pork and pork products, valued at a record \$239.9 million, (not including pork shipped to plants in Ontario and Quebec and subsequently exported) were sold directly to 23 countries in 1999 with most exports going to the U.S. (\$128 million) and Japan (\$ 97 million).



HOG AND PORK SECTOR

	<u>1996</u>	<u>1997</u>	<u>1998^R</u>	<u>1999^P</u>	<u>99 as a % of 98</u>
HOG FARMS (incl. non-commercial):	2,064	1,930	1,800	1,630	91
(farms, 51+% of income from hogs):	1,075	1,040	1,000	1,000	100
HOGS ON FARMS ('000):					
Sows & Bred Gilts	181.2	201.5	215.9	234.1	108
% of Canada	15.9	17.3	17.2	18.4	
Boars	10.2	10.1	10.3	10.3	100
Market Hogs	1,622.3	1,597.9	1,772.4	1,672.4	94
Total Hogs	1,813.7	1,809.5	1,998.6	1,916.8	96
% of Canada	15.7	15.5	16.1	15.5	
HOG PRODUCTION ('000):	3,164	3,530	4,060	4,750	117
% of Canada	18.0	18.5	18.9	20.7	
ANNUAL PRODTN. GROWTH RATE %:	5.9	11.6	14.7	17.0	
VALUE OF HOG PRODUCTION (\$mIn):	466	517	422	476	113
HOG CASH RECEIPTS (\$ million):	448.5	468.6	396.4	481.7	122
% of Canada	15.5	15.7	17.8	19.9	
AV. INDEX 100 HOG PRICES (\$/100kg):	183	182	121	125	103
AVERAGE INDEX:	108.9	108.5	108.8	109.8	101
HOG SLAUGHTER:					
Inspected Slaughter in Manitoba('000)	1,938.0	2,075.8	2,820.0	3,073.0	109
% of Canada	13.0	13.7	17.2	16.4	
Mb-origin Slaughter in Canada ('000)	1,921.2	2,071.9	2,260.0	2,566.3	114
% of Canada	12.8	13.7	13.5	13.7	
PORK PRODUCTION: ('000 tonnes dr.)	160	175	245	275	112
(\$ million est.)	460	550	650	750	115
EXPORTS:					
Hogs - ('000)	1,285.6	1,347.1	1,660.3	2,284.5	138
- (\$ million)	154.8	164.0	155.8	165.3	106
Pork - (million kg)	23.6	46.3	73.2	88.1	120
- (\$ million)	77.9	154.4	197.3	239.9	122
IMPORTS:					
Hogs (breeding) - (\$ million)	0.3	0.4	0.4	0.3	60
Pork and products - (\$ million)	11.7	17.0	20.7	29.2	141
CDN. PER CAPITA DISAPPEARANCE:					
Pork (carcass wt. kg)	25.9	25.4	27.0	27.4	101

HOG INDUSTRY CHART, 1999



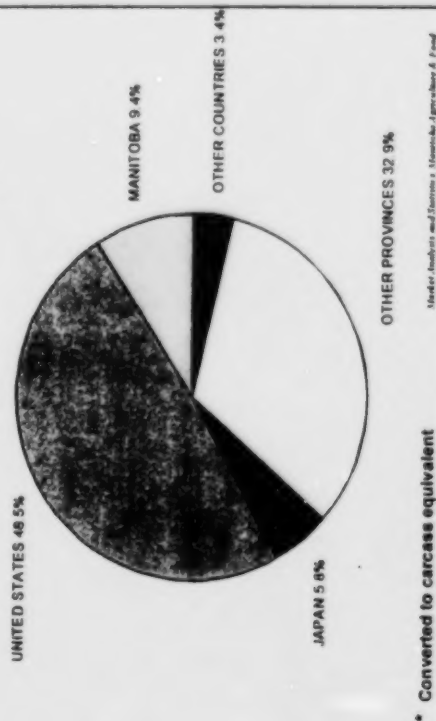
DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

TOTAL HOGS ON MANITOBA FARMS BY QUARTER

1974-2000



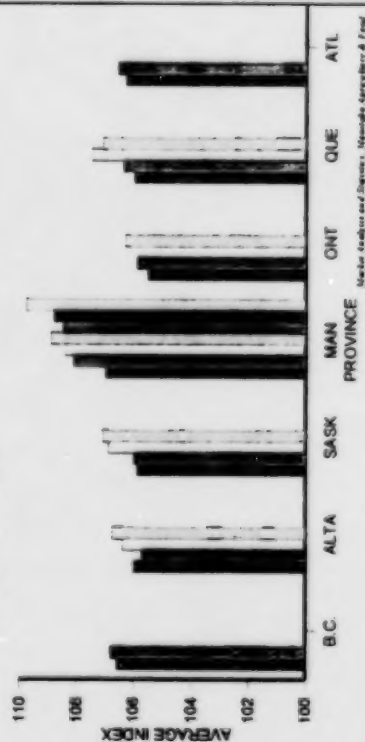
MANITOBA HOGS*/PORK: DESTINATION AND PERCENTAGE OF HOG* MARKETINGS, 1999



ANNUAL AVERAGE HOG INDEX BY PROVINCE

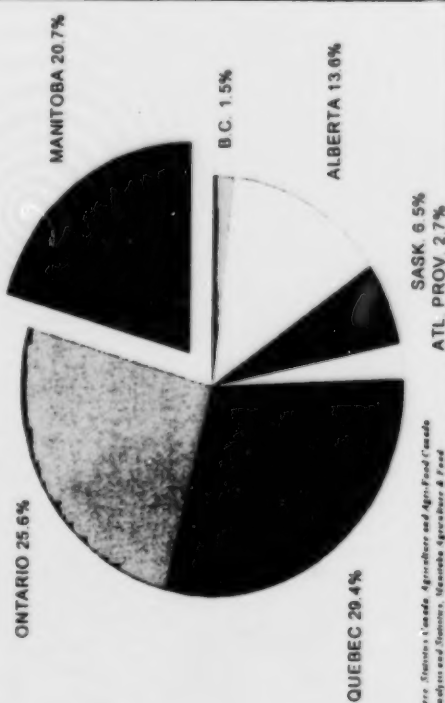
1993-1999

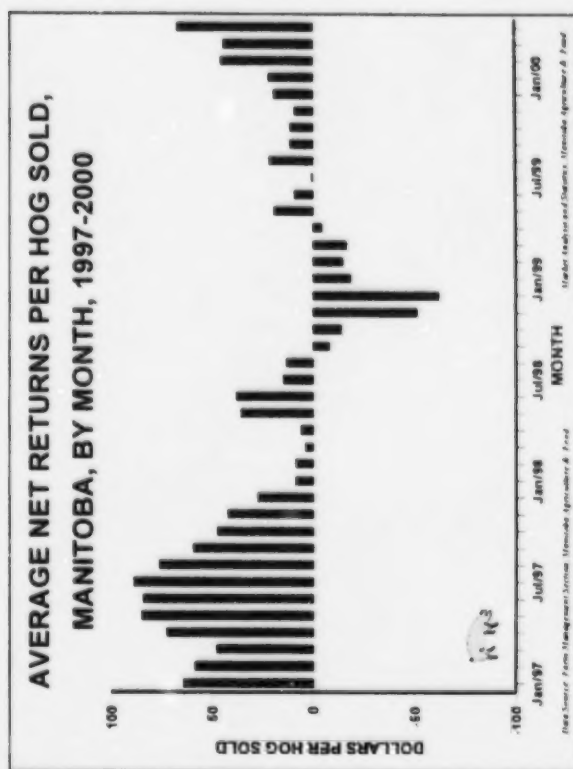
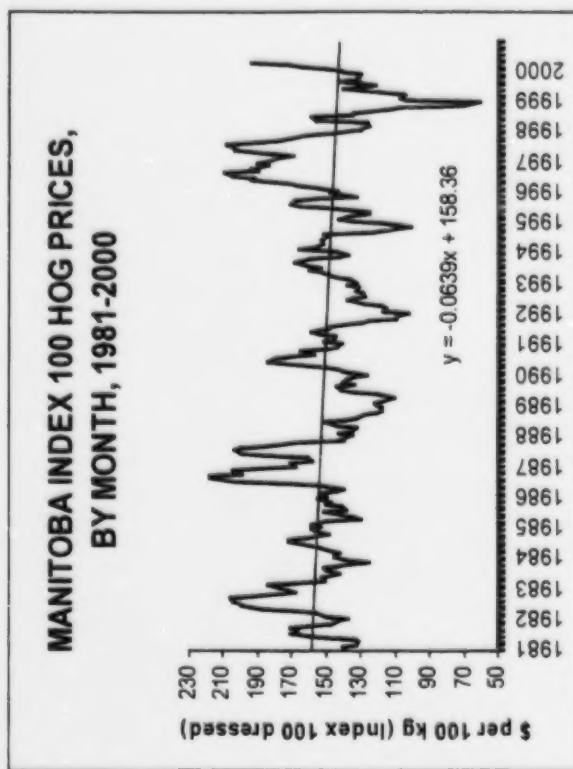
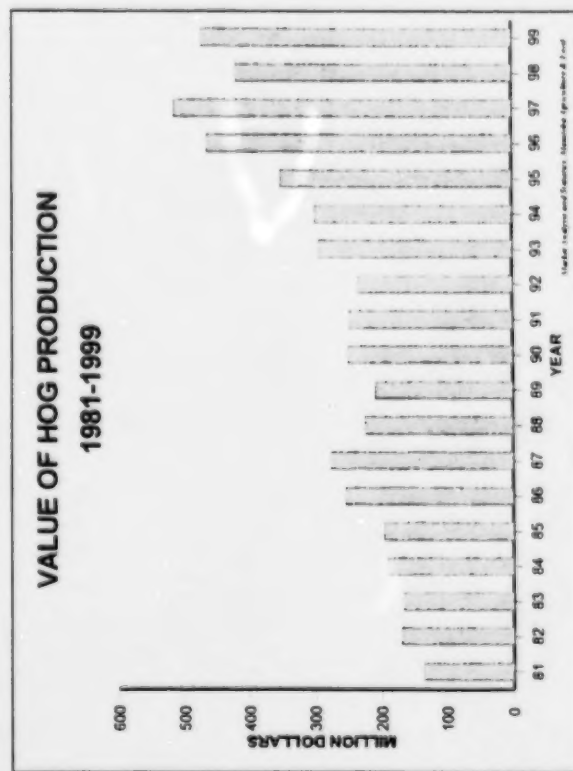
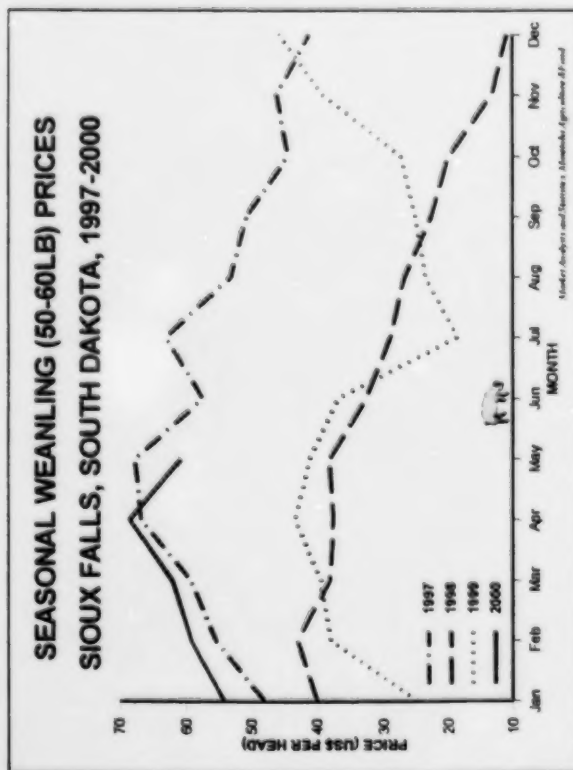
* Indices are not strictly comparable between provinces because of food differences



ESTIMATED HOG PRODUCTION BY PROVINCE

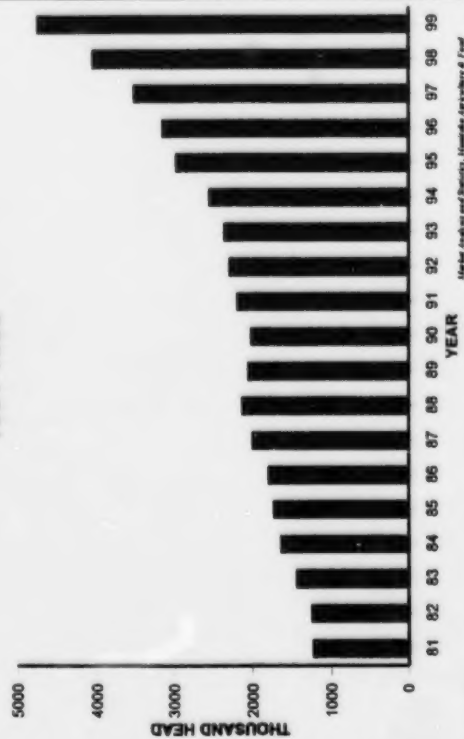
1999





MANITOBA HOG PRODUCTION

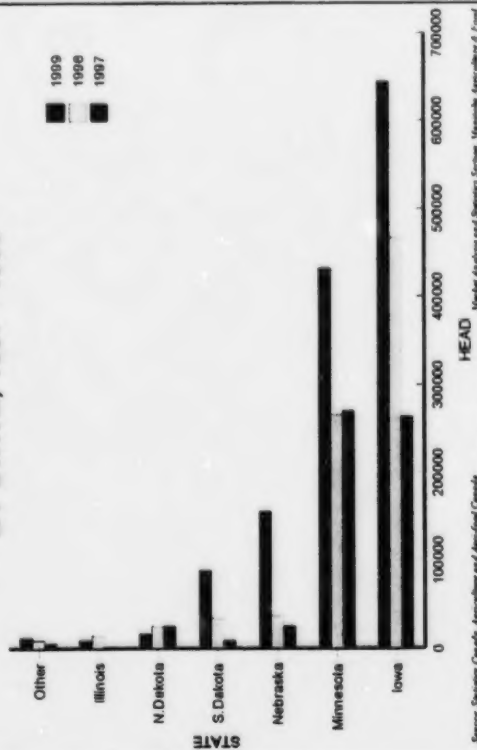
1981-1999



Market Analysis and Statistics Section, Manitoba Agriculture & Food

EXPORTS OF MANITOBA HOGS (< 50 KG) TO USA

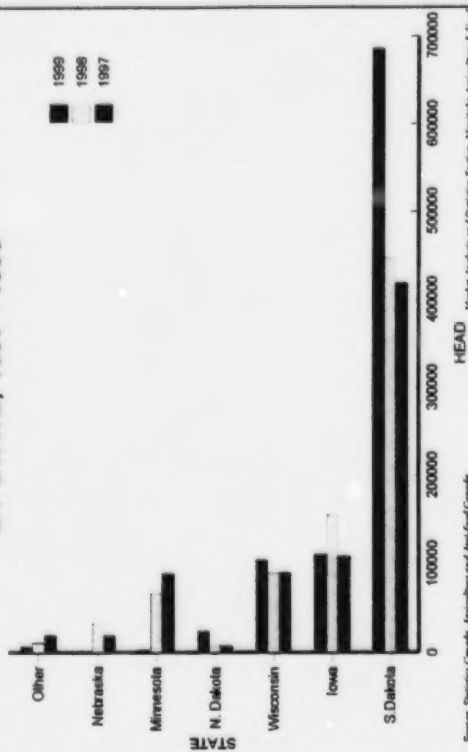
BY STATE, 1997 - 1999



Source: Statistics Canada, Agriculture and Agri-Food Canada. Market Analysis and Statistics Section, Manitoba Agriculture & Food

EXPORTS OF MANITOBA HOGS (> 50 KG) TO USA

BY STATE, 1997 - 1999

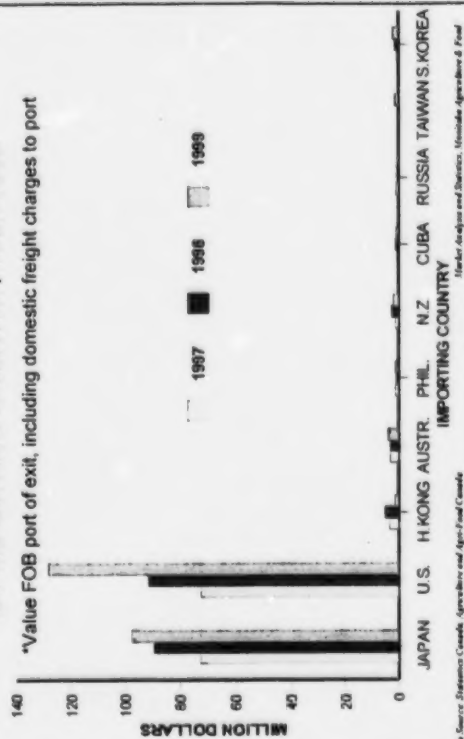


Source: Statistics Canada, Agriculture and Agri-Food Canada. Market Analysis and Statistics Section, Manitoba Agriculture & Food

VALUE* OF MANITOBA PORK EXPORTS

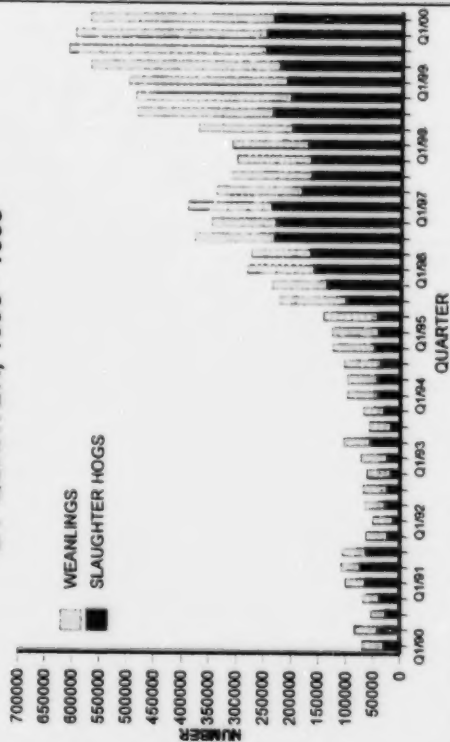
BY IMPORTING COUNTRY, 1997-1999

*Value FOB port of exit, including domestic freight charges to port

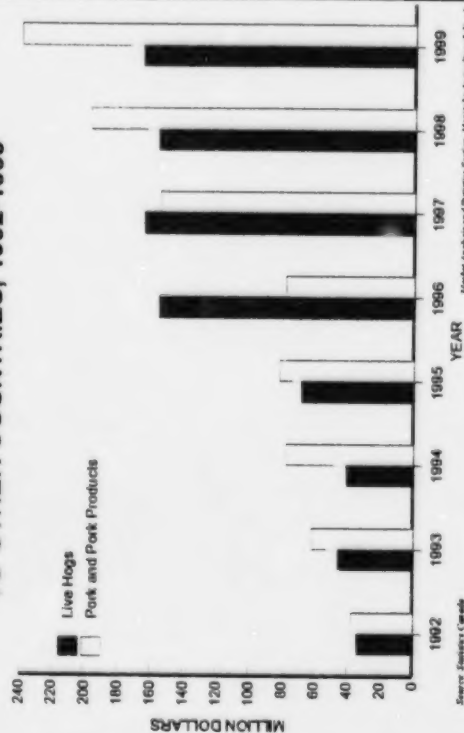


Source: Statistics Canada, Agriculture and Agri-Food Canada. Market Analysis and Statistics Section, Manitoba Agriculture & Food

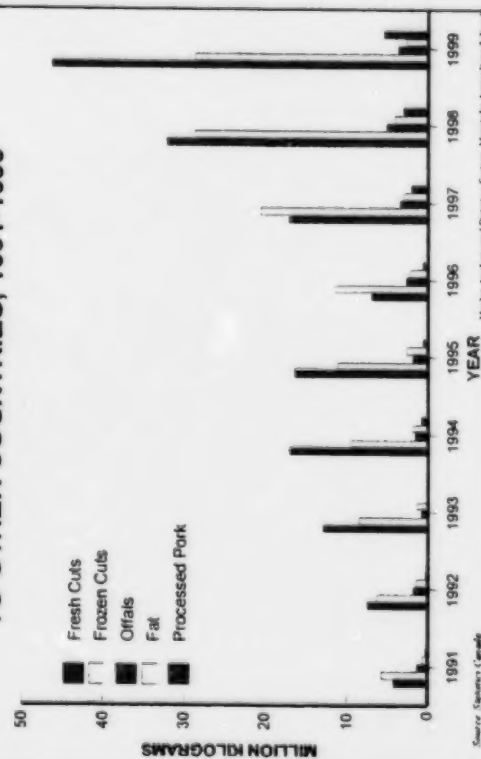
MANITOBA HOG EXPORTS TO USA BY QUARTER, 1990 - 1999



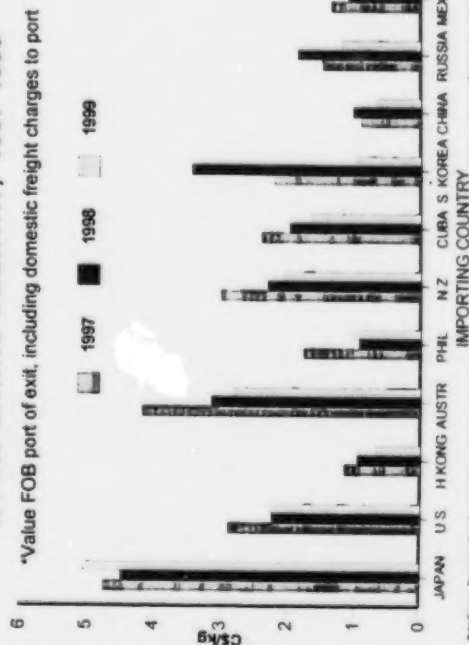
MANITOBA HOG AND PORK EXPORTS TO OTHER COUNTRIES, 1992-1999



MANITOBA PORK EXPORTS TO OTHER COUNTRIES, 1991-1999



AVERAGE PRICE* OF MANITOBA PORK BY IMPORTING COUNTRY, 1997-1999



1999 EXPORTS OF HOGS AND PORK Thousand Dollars



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

1999 IMPORTS OF HOGS AND PORK Thousand Dollars



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture and Food

SHEEP AND LAMB SECTOR



SHEEP AND LAMB SECTOR PROFILE

Production:

Although much smaller than the cattle and hog industries, Manitoba's sheep and lamb industry is the sixth largest in Canada, producing four-six percent of national lamb production annually and 0.4 percent of total North American production in 1999. Lamb production in Manitoba has been increasing fairly steadily since 1987 and is likely to expand further during the current period of profitable prices. In 1999, Manitoba's 555 operators produced an estimated 37,500 lambs, an increase of nine percent from the 1998 level. The value of Manitoba lambs produced in 1999 was about \$3.0 million, almost 0.1 percent of the total value of agricultural production in the province. Manitoba farm cash receipts from sheep and lambs sold in 1999, including the value added to imported lambs, was \$11.3 million, up by nine percent from 1998.

Marketings and Trade:

The Manitoba lamb/sheep feedlot industry is actually much larger than lamb production in the province. In 1999, about 68,000 sheep and lambs were brought into Manitoba from British Columbia, Saskatchewan, Alberta and the U.S. Many of these animals were fed for various lengths of time in the province before being shipped to Ontario, Quebec or the United States for sale and slaughter. About 46,000 sheep and lambs were sold in Ontario and Quebec and close to 4,000 head went to Saskatchewan and Alberta. In 1999, 37,700 sheep and lambs were exported to the United States.

Lamb Slaughter:

Provincially-inspected plants in Manitoba slaughtered over 2,112 lambs in 1999, either for sale to local retailers or on a custom-kill basis. About 6,000 lambs were killed on farms for/by customers in 1999. Most of the lamb consumed in Manitoba comes from New Zealand or Alberta.

Potential:

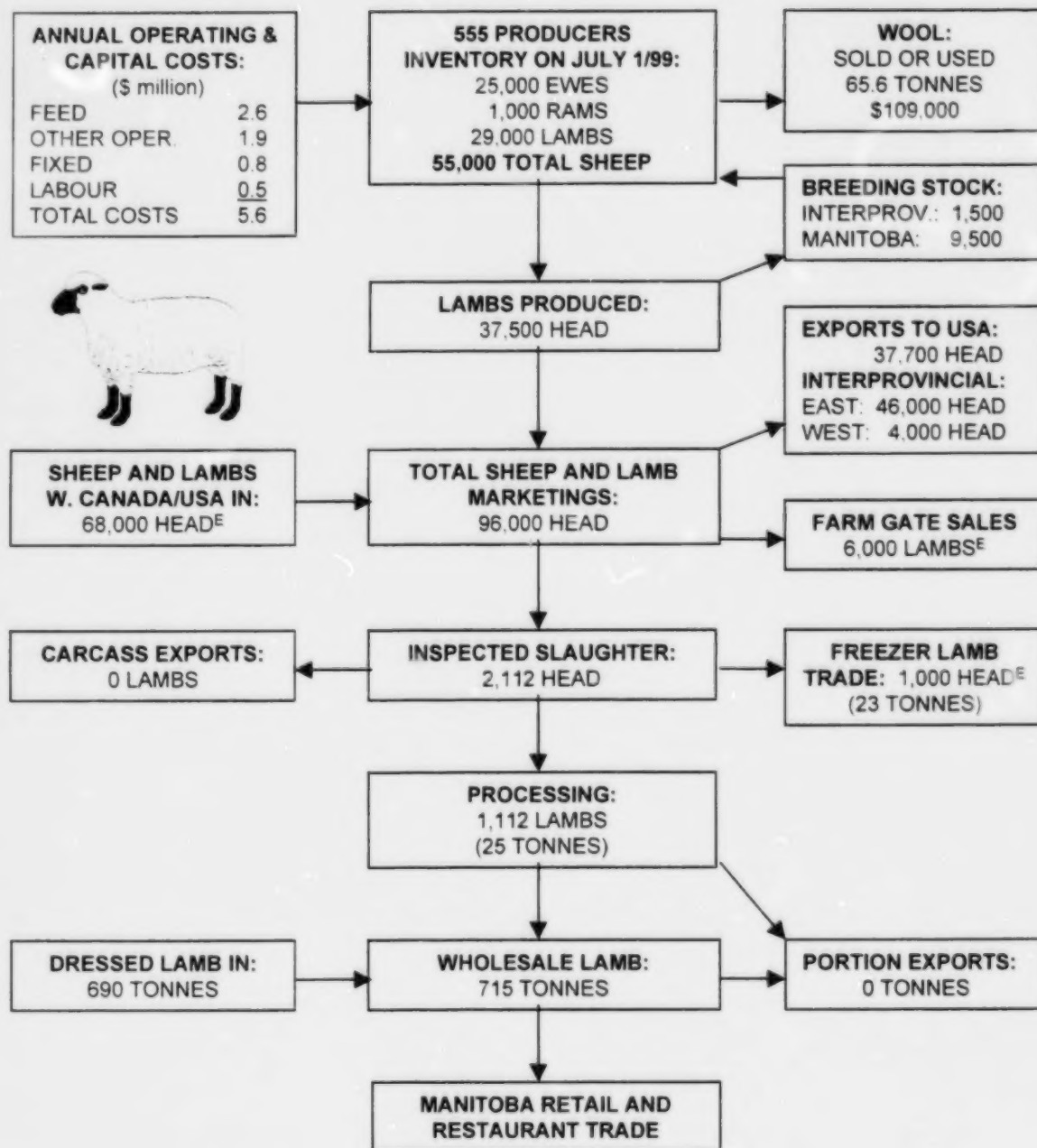
Manitoba has the potential to continue to increase sheep/lamb production and processing to supply domestic markets as long as the product is competitive with imports.



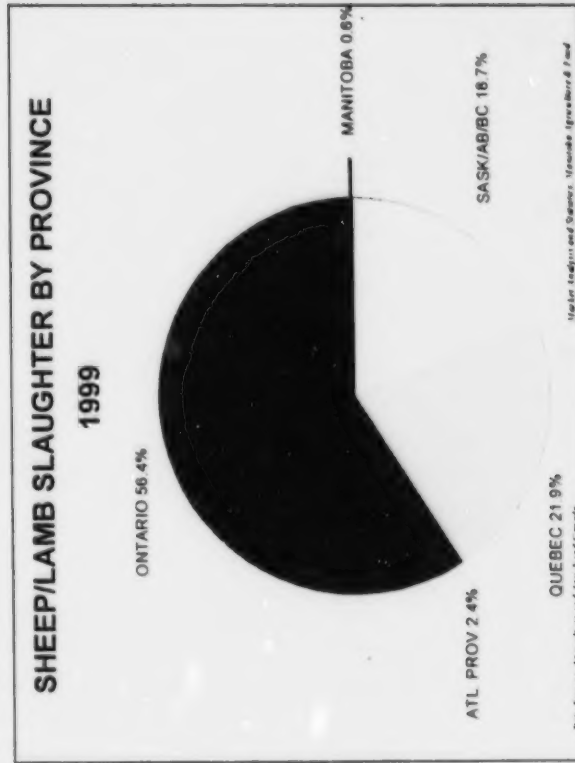
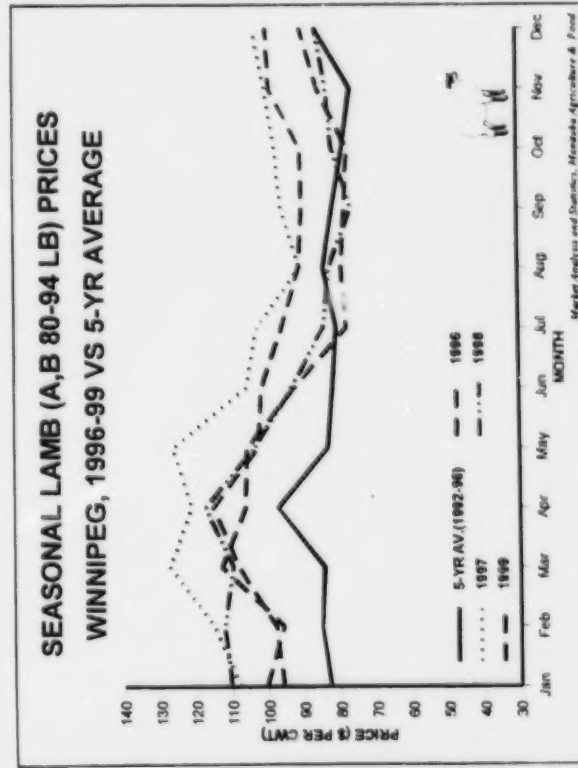
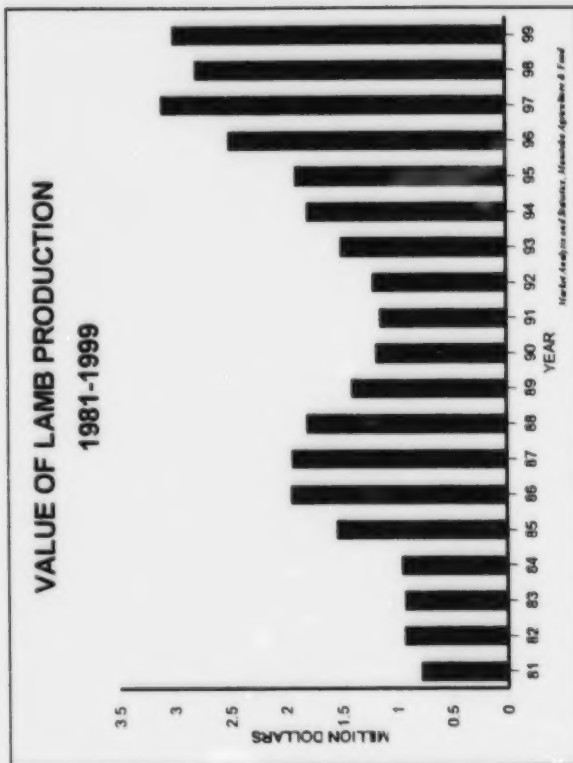
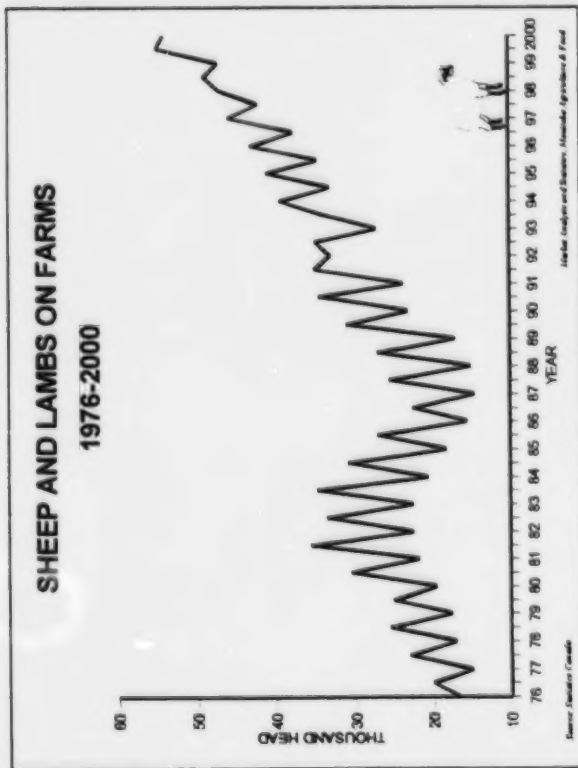
SHEEP, LAMB, WOOL SECTOR

	<u>1996</u>	<u>1997</u>	<u>1998^R</u>	<u>1999^P</u>	'99 as a % of '98
NO. OF SHEEP FARMS:	526	555	565	555	98
SHEEP ON FARMS JULY 1 ('000):					
Ewes	18.9	21.2	23.0	25.0	109
% of Canada	4.4	5.0	5.5	5.6	
Rams	0.9	1.0	1.0	1.0	100
Lambs for Breeding	5.0	4.6	6.0	6.5	108
Lambs for Market	12.7	15.3	19.0	22.5	118
Total Sheep	37.5	42.1	49.0	55.0	112
% of Canada	4.4	5.1	5.9	6.2	
LAMB PRODUCTION ('000):	28	32	34.5	37.5	109
VALUE OF LAMB PRODUCTN (\$'000):	2,500	3,100	2,800	3,000	107
CASH RECEIPTS (\$'000):					
Sheep/Lambs	11,512	12,324	10,352	11,300	109
% of Canada	14.7	16.3	15.1	8.5	
Wool Sold	70	97	60	104	173
AV. SHEEP/LAMB PRICES (\$/cwt):					
Sheep	40	43	45	48	107
Lambs A & B (under 80lb.)	119	120	103	109	106
Lambs A & B (80-94lb.)	99	109	92	92	100
SHEEP/LAMB SLAUGHTER:					
Inspected in Manitoba (head)	1,768	1,416	1,552	2,112	136
% of Canada	0.5	0.5	0.5	0.6	
LAMB/MUTTON PROD (tonnes dress):	40.0	32.0	35.0	48.0	137
WOOL SOLD OR USED ON FARMS:					
Weight (tonnes)	81.7	82.7	64.5	65.6	102
Value (\$'000)	72	100	63	109	173
AVERAGE PRICE OF WOOL (\$/kg):	0.88	1.21	0.97	1.67	172
EXPORTS OF SHEEP/LAMBS:					
To U.S.A.	28,100	34,600	37,700	37,700	100
To Eastern Canada	50,000	44,000	42,300	46,000	109
To Western Canada	5,000	4,000	4,500	4,000	89
IMPORTS:					
Sheep/Lambs from W. Canada/U.S.	70,000	70,000	67,000	68,000	101
Lamb/Mutton (tonnes)	594	600	700	690	99
CDN PER CAPITA DISAPPEARANCE:					
Lamb and Mutton (carcass weight (kg))	0.8	0.7	0.8	0.8	100

SHEEP INDUSTRY CHART, 1999



DATA SOURCE: Manitoba Agriculture & Food, Statistics Canada, Agriculture & Agri-Food Canada, Canada Co-operative Wool Growers Ltd., Alberta Agriculture, Food & Rural Development, Manitoba Sheep Producers.



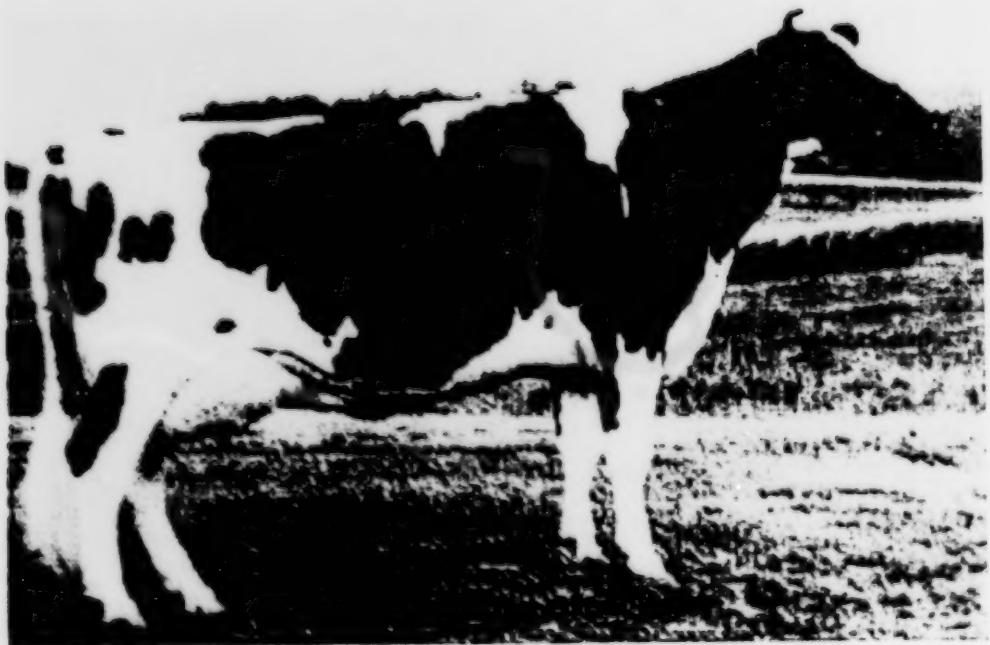
1999 EXPORTS OF SHEEP AND LAMBS Thousand Dollars



1999 IMPORTS OF SHEEP AND LAMBS Thousand Dollars



DAIRY SECTOR



DAIRY SECTOR PROFILE

Production:

Manitoba has Canada's fifth largest dairy cow herd with 4.3 percent of the nation's dairy cows and 0.5 percent of total North American dairy cows in 1999. According to Statistics Canada, total dairy cow numbers in Manitoba have declined fairly steadily over the past twenty-three years from 93,000 head in July, 1977 to 50,000 head in July, 1999, an average decrease of two percent a year. The actual number of dairy cows producing milk under quota rose by two percent from 34,019 in 1998 to 34,645 in 1999. Although the number of commercial operators fell by 5 percent to 727 in 1999, they sold 288.5 million litres of milk and cream, one percent more than in 1998. The productivity of Manitoba dairy cows has increased significantly since 1977, when 3.1 kl of milk and cream were sold per cow per year compared to 5.8 kl per cow (8.3 kl per cow under quota) in 1999. Farm cash receipts from milk and cream sold in 1999 amounted to \$155.4 million, 4 percent of the total farm cash receipts for the province. About 42 percent of dairy cash receipts came from sales of milk for fluid use, about 56 percent were from sales for industrial milk use, 0.1 percent from industrial cream sales and the remaining 2.0 percent were supplementary payments to dairy producers.

Dairy Processing:

Manitoba's dairy processing industry comprised three fluid milk plants, eleven industrial plants and three repackaging plants for cheese and milk powder with a total of about 490 employees in 1999. Another 400 employees were involved in the distribution of dairy products. The fluid milk plants were Lucerne Foods Ltd. and Parmalat Dairy and Bakery Inc. both in Winnipeg, and Dairyworld Foods in Brandon. Manitoba had six cheese plants located in Grunthal (Medo-Land Dairy Products), Holland (Trappist Cistercian Abbey), New Bothwell (Bothwell Co-operative Dairy Society Ltd.), Souris (Saputo Foods Ltd.), Winkler (Armstrong Cheese Company Ltd.) and Winnipeg (Lucerne Foods Ltd.). There were two ice cream plants, Schwan's Canada Ltd. in Neepawa and Lucerne Foods Ltd. in Winnipeg, a creamery/powdered milk plant, Parmalat Foods Inc., at St. Claude, a creamery, Notre Dame Creamery Ltd., at Notre Dame and a multi-product dairy, Rockwood Agribusiness. The repackaging plants were located in Winnipeg. There were also two research and development facilities licensed to process dairy products, the University of Manitoba in Winnipeg and the Food Development Centre in Portage la Prairie. Dairy products produced in the province, which were valued at over \$300 million in 1999, included fluid milk (97.9 MI), cream (2.8 MI), butter, ice-cream, Cheddar cheese (7.1 kt), variety cheeses (6.2 kt), cottage cheese and yogurt. Milk production in 1999 increased by two percent from the 1998 level, the production of Cheddar cheese declined by 10 percent, while variety cheese production increased by 15 percent.

Trade:

Small quantities of milk and cream products, cheese and whey were imported from countries such as the United States, Denmark, New Zealand and the Netherlands in 1999, while Manitoba exported skim milk powder and cheese to Mexico and the United States. Dairy products are used in further processed products, which are exported to other provinces or countries. About one fifth of the butter produced is exported in products such as cookies. Manitoba also imports products derived from milk, such as casein and milk albumin.

Potential:

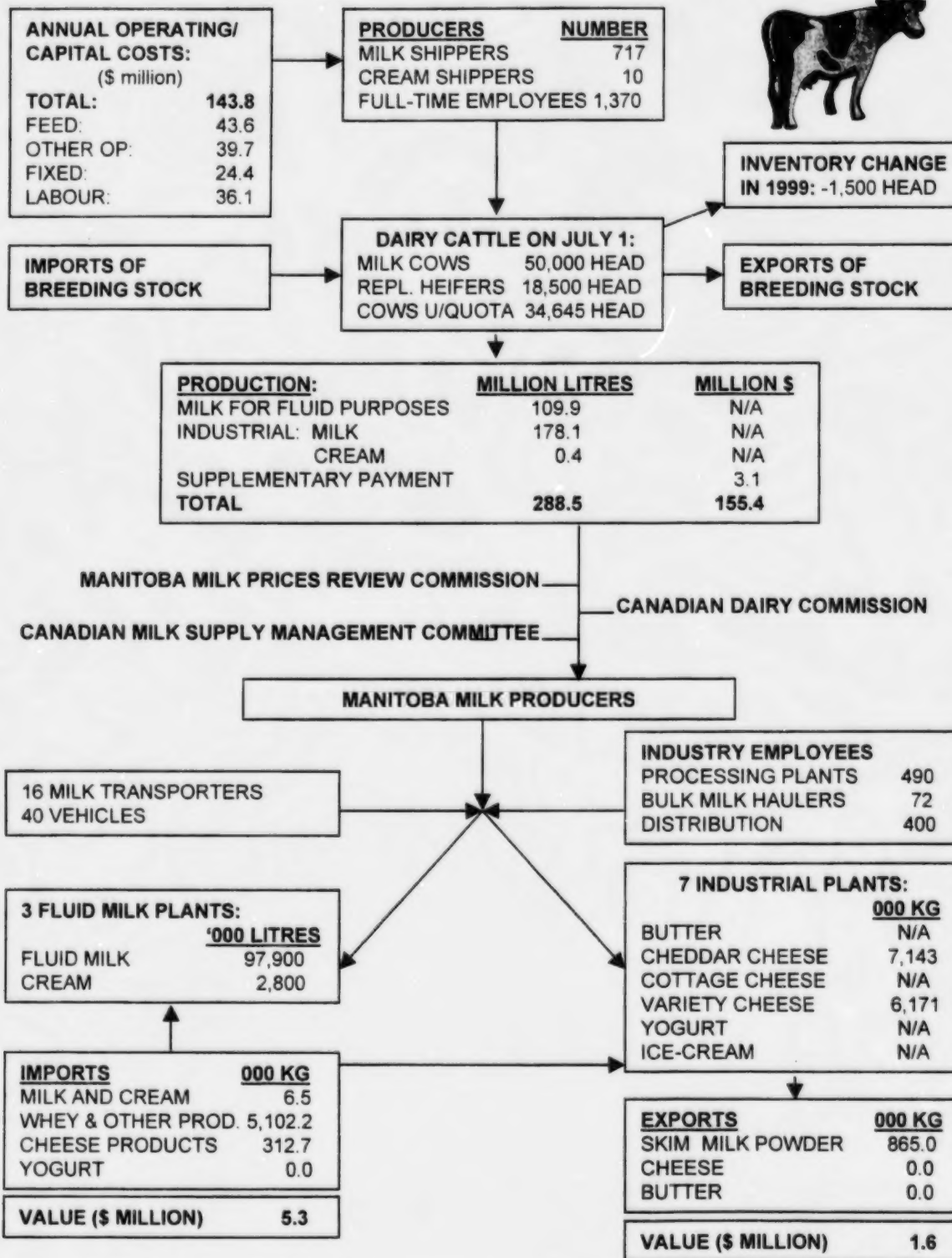
Under supply management, the production of milk for domestic use and traditional export markets is controlled by quota allocations. However, new markets for various types of cheese and other dairy products for export and import replacement are available. Since August 1, 1995, processors who want to access these markets have been able to obtain contracts to purchase milk at world competitive prices to enable them to compete on world markets.



DAIRY SECTOR

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>'99 as a % of '98</u>
NUMBER OF DAIRY FARMS:	881	850	769	727	95
Milk Shippers	823	793	743	717	97
Cream Shippers	58	57	26	10	38
CATTLE ON FARMS JULY 1 ('000):					
Dairy Cows	51.0	51.0	50.5	50.0	99
% of Canada	4.2	4.2	4.2	4.3	
Dairy Replacement Heifers	20.0	19.0	18.5	18.5	100
Cows Producing Under Quota	34.1	34.7	34.0	34.6	102
PRICE OF MILK (Class 1 \$/hl):	63.42	64.73	64.26	62.25	97
FARM SALES - MILK/CREAM (000 kl):	274.4	281.0	285.8	288.5	101
Fluid Use	115.6	110.4	105.9	109.9	104
Industrial Use:	158.8	170.6	179.9	178.5	99
Milk	157.4	169.5	179.2	178.1	99
Cream	1.4	1.1	0.7	0.4	57
FARM CASH RECEIPTS (\$ million):	138.9	145.0	149.9	155.4	104
Fluid Use	N/A	N/A	N/A	N/A	
Industrial Use:	N/A	N/A	N/A	N/A	
Milk	N/A	N/A	N/A	N/A	
Cream	0.2	0.2	0.1	0.08	80
Supplementary Payments	6.5	4.5	4.0	3.1	78
DAIRY PRODUCT PROCESSING:					
Fluid Milk Plants (No.)	3	3	3	3	100
Industrial Milk Plants (No.)	9	10	8	7	88
Milk Transporters (No.)	18	18	16	16	100
Industry Employees:					
Plant Processing	580	500	482	490	102
Bulk Milk Haulers	60	78	75	72	96
Product Distribution	400	400	400	400	100
PROCESSED DAIRY PRODUCTS:					
Fluid Milk ('000 kl)	112.7	100.0	96.0	97.9	102
Cream ('000 kl)	3.4	3.0	3.0	2.8	93
Ice-Cream ('000 kl)	15.4	N/A	N/A	N/A	N/A
Butter ('000 tonnes)	4.8	N/A	N/A	N/A	N/A
Cheddar Cheese ('000 tonnes)	5.8	7.2	7.9	7.1	90
Other Cheese ('000 tonnes)	5.6	4.9	5.4	6.2	115
EXPORTS OF DAIRY PROD. - tonnes	971.9	1,540.9	866.5	865.0	100
- \$ million	2.9	3.5	1.9	1.6	84
IMPORTS OF DAIRY PROD. - tonnes	3,803.6	3,397.7	3,388.8	5,421.6	160
- \$ million	5.1	3.9	4.3	5.3	123

DAIRY INDUSTRY CHART, 1999



DATA SOURCE: Manitoba Milk Producers, Manitoba Agriculture and Food, Statistics Canada

DAIRY COWS AND HEIFERS ON FARMS

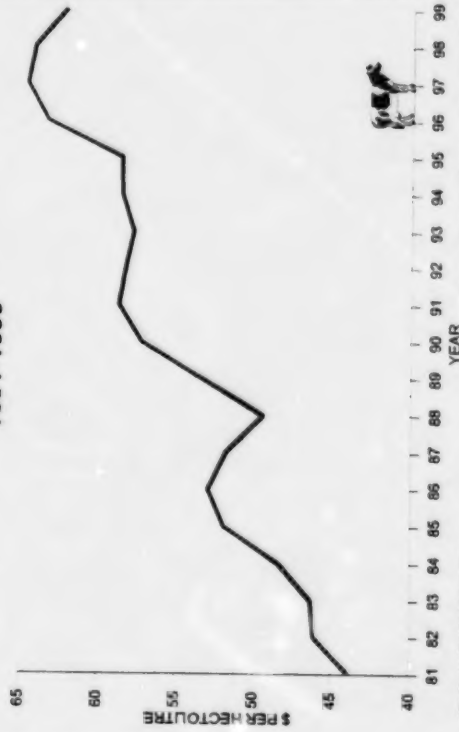
1976-1999



Source: Statistics Canada
Market Analysis and Statistics Service, Manitoba Agriculture & Food

PRODUCER PRICE FOR CLASS 1 MILK

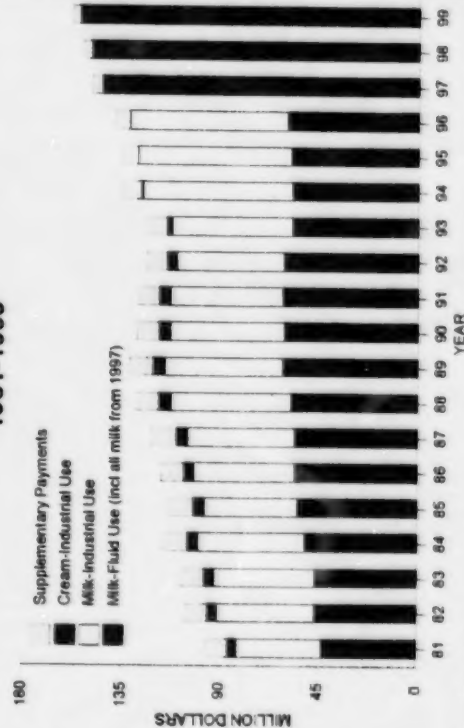
1981-1999



Data Source: Manitoba Milk Producers
Market Analysis and Statistics Service, Manitoba Agriculture & Food

FARM CASH RECEIPTS - MILK AND CREAM

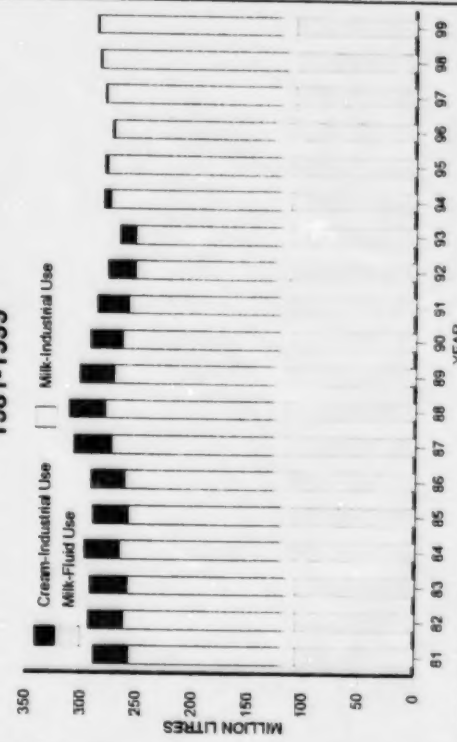
1981-1999



Statistics Canada
Market Analysis and Statistics Service, Manitoba Agriculture & Food

FARM SALES-MILK AND CREAM

1981-1999



Data Source: Manitoba Milk Producers
Market Analysis and Statistics Service, Manitoba Agriculture & Food

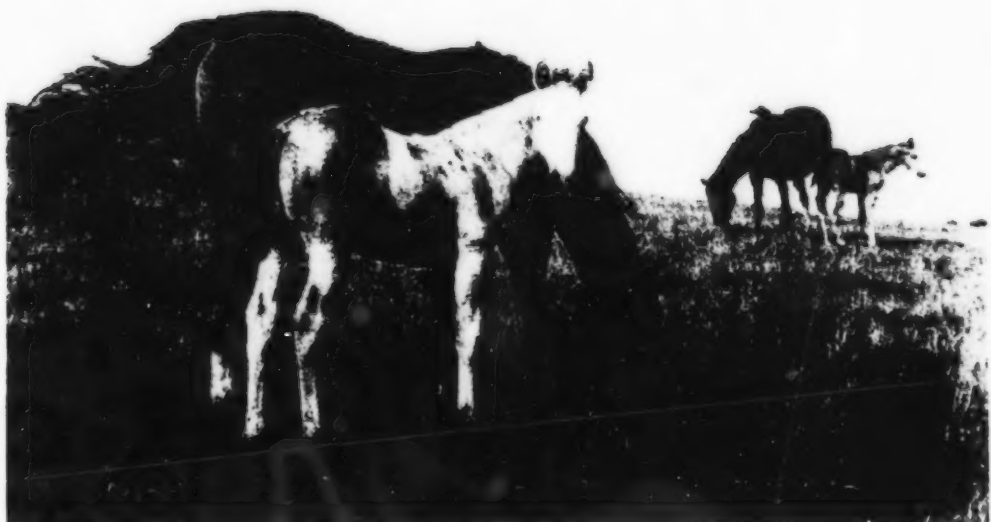
1999 EXPORTS OF DAIRY PRODUCTS Thousand Dollars



1999 IMPORTS OF DAIRY PRODUCTS Thousand Dollars



HORSE SECTOR



HORSE SECTOR PROFILE

Production:

Manitoba has a suitable resource base for horse production in terms of land, water, feed and labour. As a result, Manitoba's equine industry is the third largest in Canada with approximately 4,120 farms and 65,000 horses, about 15 percent of the horses in Canada. Manitoba has Canada's largest herd of mares used for pregnant mare's urine (PMU) collection. For the 1999-2000 season, 254 PMU ranches had 24,985 mares of which 17,827 mares were in production, a decrease of five farms, and 2,537 production mares from the previous season. There are also a large number of pleasure horse owners in Manitoba, who had about 10,000 horses in 1999, as well as a much smaller number of racehorse owners, who had about 900 horses.

Marketings:

The Brandon location of Ayerst Organics Ltd., the sole purchaser and processor of pregnant mare's urine in North America, has allowed Manitoba to develop a viable equine industry over the past thirty-three years. Foals are produced as part of the PMU operation and these are kept as replacement mares or marketed for breeding stock, for the pleasure industry, for rodeo events or as ranch stock. Horse sales were valued at over \$19 million in 1999. About 40 percent of the foals are sold to finishing enterprises, less than half of these being marketed by public auction.

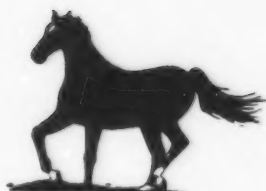
Some of the colts fed in Manitoba feedlots are sold to Bouvry Exports Ltd. of Fort McLeod, Alberta, the remainder going to plants in the United States and Ontario. Only five horses were processed in Manitoba provincially-inspected plants in 1999. Very little horse meat is consumed in Canada. Most of the horse meat produced in Alberta is exported (12,510 tonnes valued at \$62.5 million in 1998) to 11 countries including France, Japan and Italy.

PMU Sales:

The Manitoba PMU industry contributes about \$35-45 million in farm cash receipts each year. For calendar year 1999, the farm value of pregnant mare's urine totalled \$40.7 million or over one percent of total value of production in the province. The urine is used for Premarin production.

Trade:

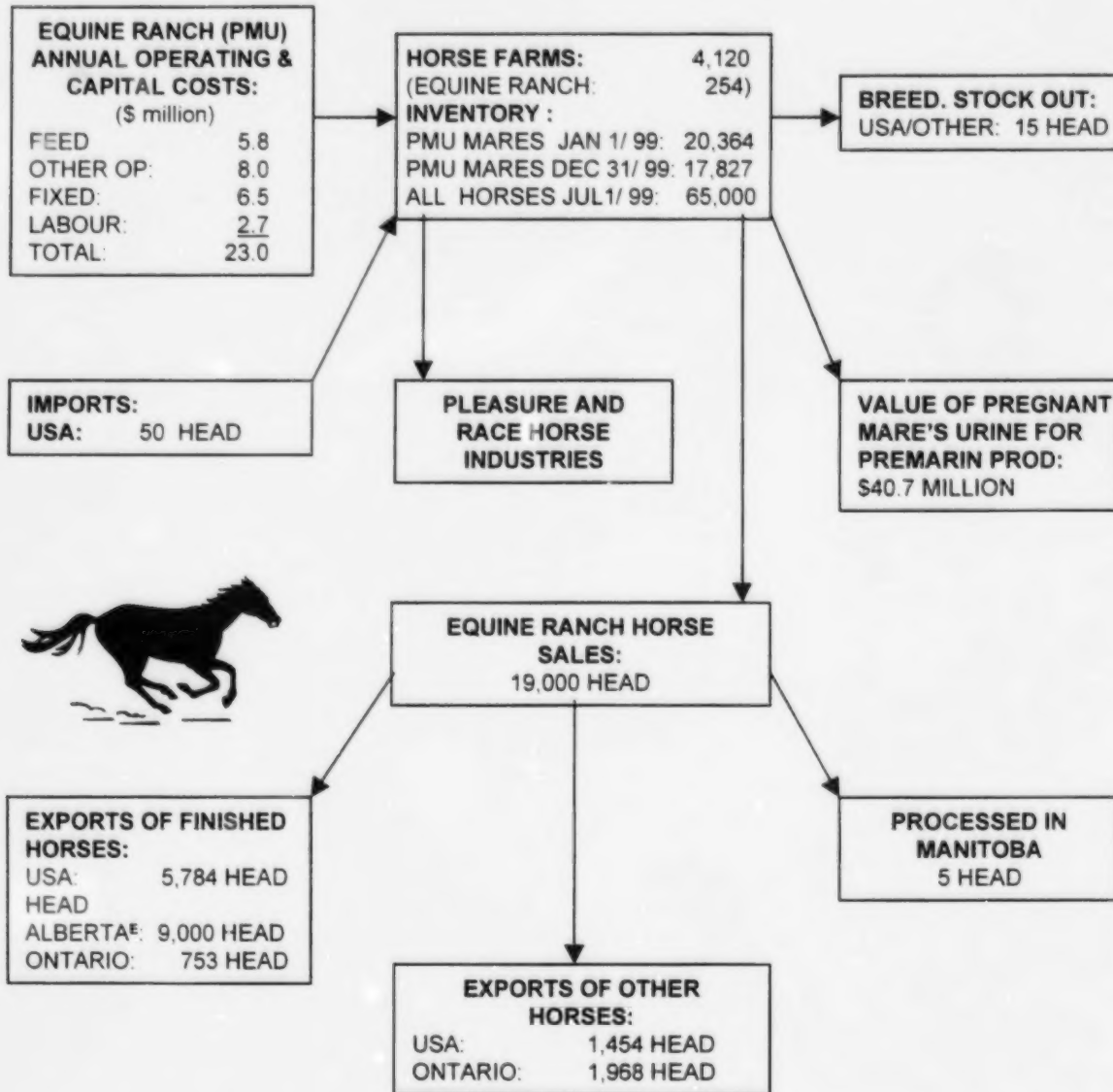
Manitoba exported 7,253 horses to the United States and other locations including the Czech Republic in 1999, of which 15 were pure-bred stock. This was a 9.1 percent decrease from the 1998 level. There were 50 pure-bred breeding horses imported from the United States in 1999.



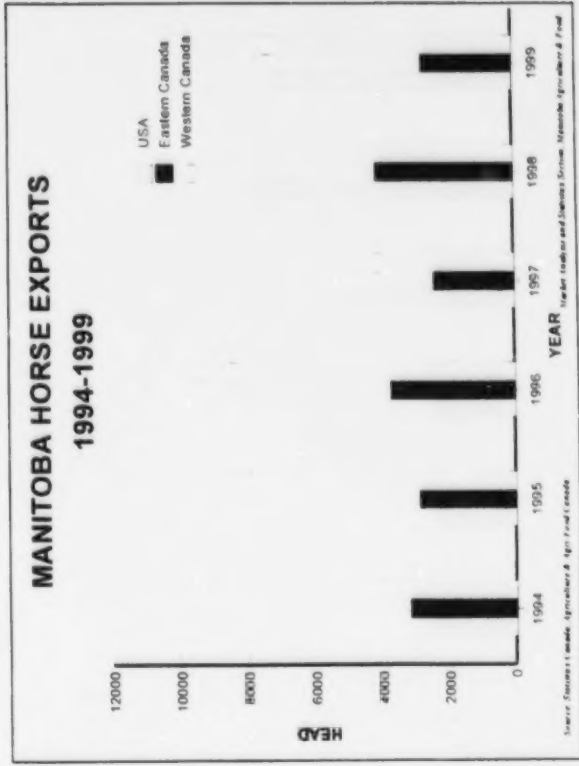
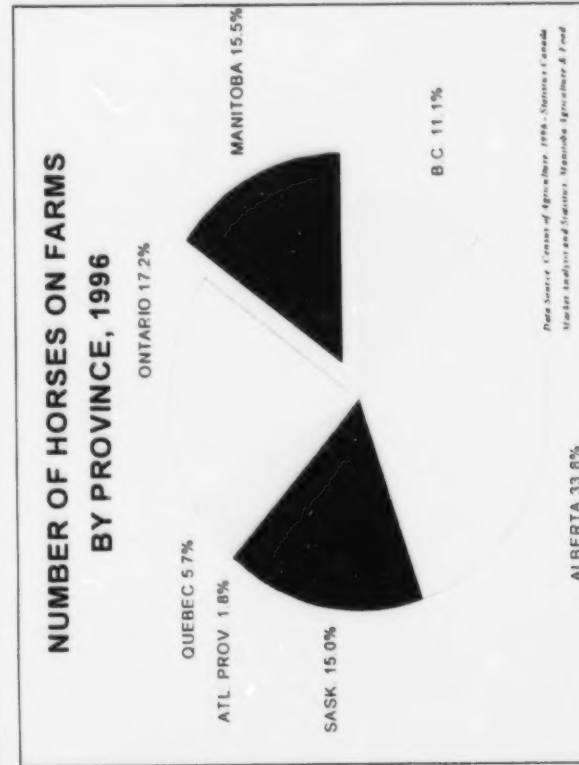
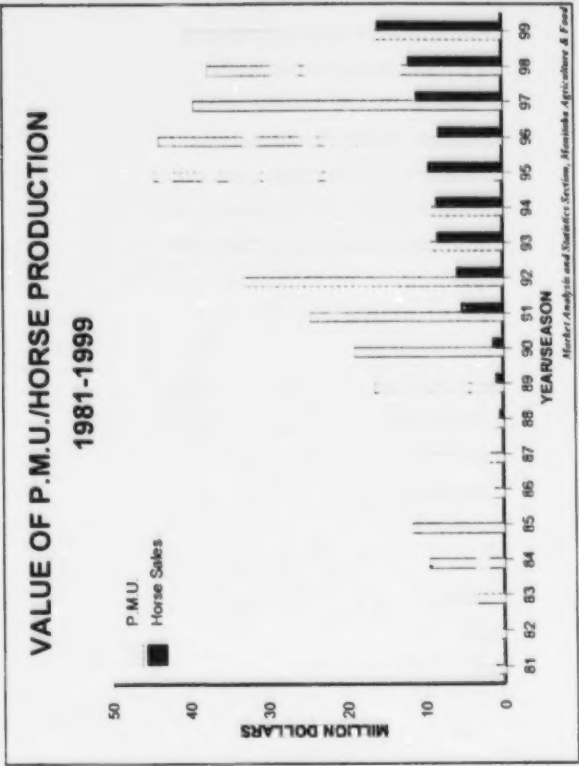
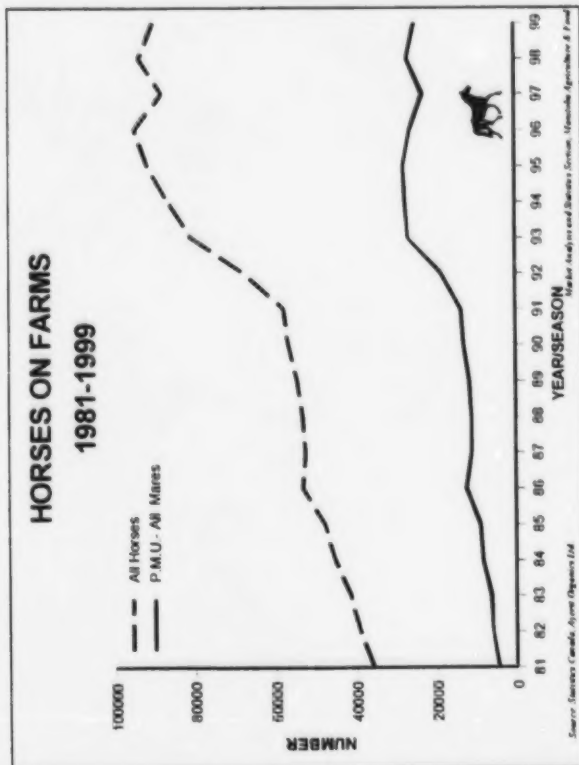
HORSE SECTOR

	<u>1996</u>	<u>1997</u>	<u>1998^R</u>	<u>1999^P</u>	<u>'99 as a % of '98</u>
NO. OF HORSE FARMS:					
% of Canada	4,155	4,150	4,130	4,120	100
P.M.U. Farms - beginning of year	7.3				
- end of year	282	283	265	259	98
	283	265	259	254	98
HORSES ON FARMS:					
P.M.U. Production Mares - Jan 1	26,129	22,254	18,014	20,364	113
P.M.U. Production Mares - Dec 31	22,254	18,014	20,364	17,827	88
Total Horses - July 1	68,783	65,000	67,000	65,000	97
% of Canada	15.5				
HORSE SALES (est. no.):	16,100	15,500	17,000	19,000	111
VALUE OF SALES (\$ million):					
P.M.U. Sales	43,900	39,400	37,590	40,750	108
Horse Sales	8,300	11,000	12,000	16,000	133
HORSE PRICES - WINNIPEG (\$/cwt):					
Under 1,000 lb	55-75	45-80	45-75	70-100	142
1,000 lb and over	55-65	45-80	70-90	75-115	119
AVERAGE EXPORT PRICE (\$/head):	746	756	745	841	113
HORSE PROCESSING (head):					
Inspected Slaughter in Manitoba	13	28	9	5	56
EXPORTS OF HORSES:					
To U.S.A.: Total Number	2,339	5,143	7,952	7,253	91
Pure-bred	10	24	19	15	79
Slaughter	633	2,659	6,157	5,784	94
Other	1,696	2,460	1,776	1,454	82
Value (\$'000)	1,745	3,886	5,924	6,101	103
To Eastern Canada: Total Number	3,701	2,378	4,106	2,721	66
Slaughter	2,620	1,828	392	753	192
Other	1,081	550	3,714	1,968	53
To Western Canada	10,000	8,000	5,000	9,000	180
IMPORTS OF HORSES:					
From U.S.A.: Number	120	209	119	50	42
Value (\$'000)	2,238	1,943	551	551	100

HORSE INDUSTRY CHART, 1999



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada, Ayerst Organics.



1999 EXPORTS OF HORSES

Thousand Dollars



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture & Food

1999 IMPORTS OF HORSES

Thousand Dollars



Source: Statistics Canada

Market Analysis and Statistics Section, Manitoba Agriculture & Food

BISON SECTOR



BISON SECTOR PROFILE

Production:

Although much smaller than the cattle and hog industries, Manitoba's bison industry is the third largest in Canada, producing about 12 percent of national bison production annually and approximately three percent of total North American production in 1999. Bison are indigenous to the Prairies and adapt well to most geographic areas of Manitoba. The number of bison in Manitoba has been increasing by an average of 14 percent annually over the past four years and is likely to expand further.

In 1999, Manitoba's 180 operators had a breeding herd of about 6,000 head, which produced an estimated 4,700 calves. There were 2,000 feeder bulls being finished on a grain/roughage ration in 1999, some of which were originally brought in from Western Canada. The total number of bison on Manitoba farms in 1999 was about 11,000 head.

The value of bison produced in 1999 was close to \$12 million, almost 0.4 percent of the total value of agricultural production in the province.

Marketings and Exports:

In 1999, over 500 bison were brought into Manitoba from the United States, Ontario, Saskatchewan and Alberta. Some of these animals were feeder bulls, which were finished and exported to the North American Bison Co-operative plant for prices averaging US\$2.23/lb (carcass weight). Breeding stock sales to the United States, Ontario, Quebec, Alberta and Saskatchewan increased by eight percent to more than 360 head in 1999.

Bison Slaughter:

There were 55 bison slaughtered in Manitoba provincially-inspected plants in 1999, 90 percent higher than the 1998 level. Most of the bison meat consumed in Manitoba is in restaurants.

Potential:

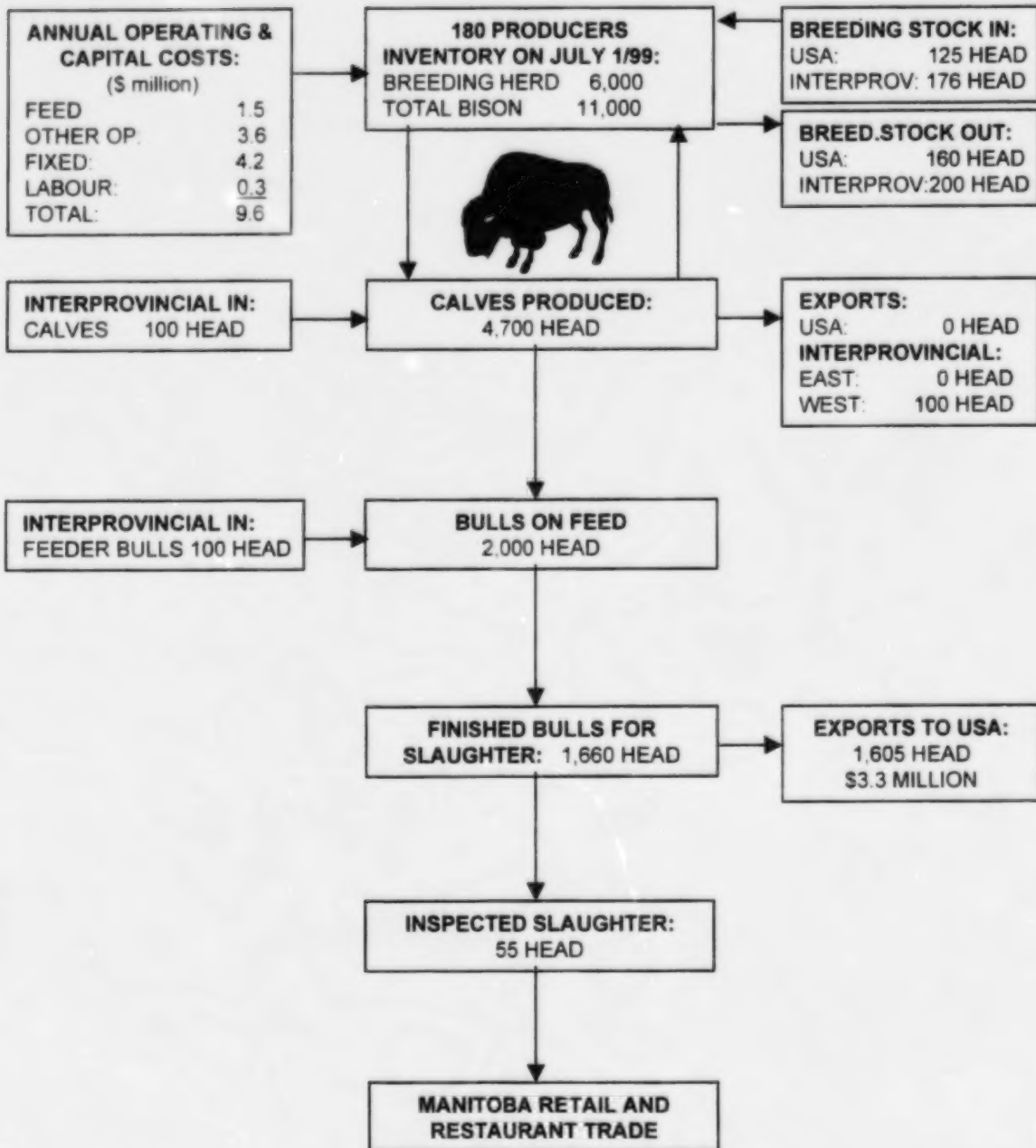
Manitoba has the potential to continue to increase bison production and processing to supply international and domestic markets. Producers continue to improve management skills and lower production costs.



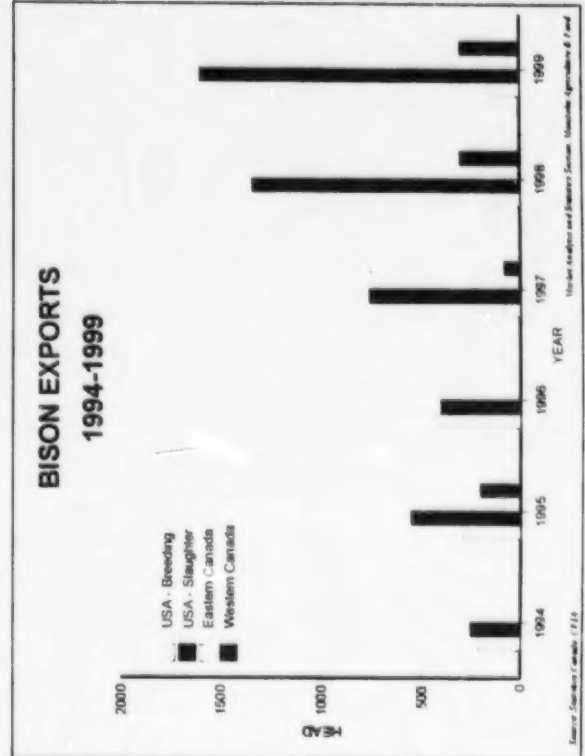
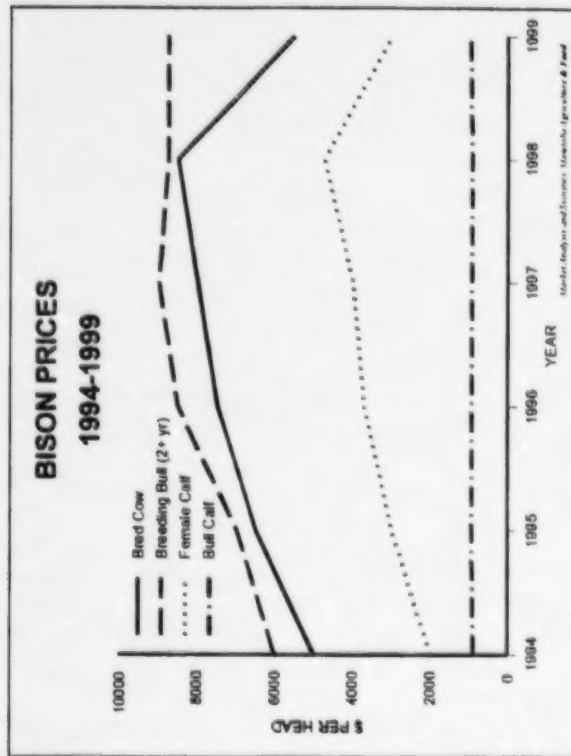
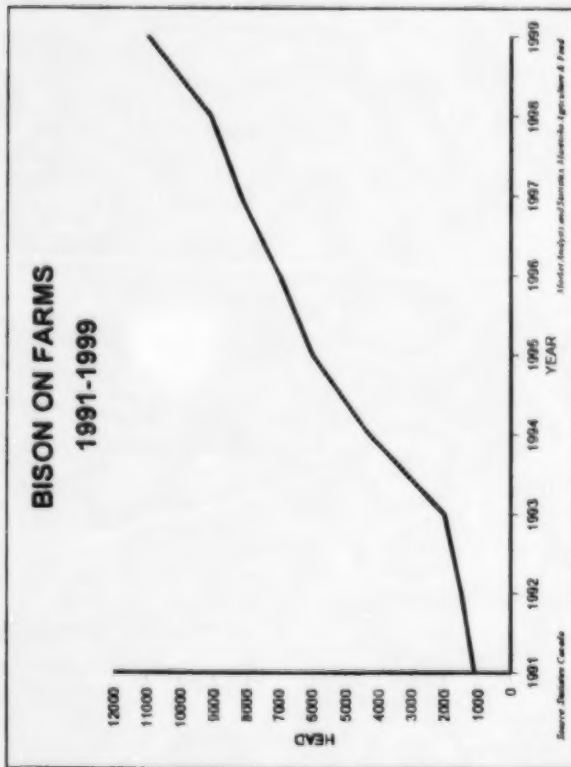
BISON SECTOR

	<u>1996</u>	<u>1997</u>	<u>1998^R</u>	<u>1999^P</u>	<u>99 as a % of 98</u>
NO. OF BISON FARMS:	73	98	130	180	138
BISON ON FARMS JULY 1 (No.):					
Breeding Herd & Replacements	4,500	4,700	5,100	6,000	118
Bulls On Feed	600	1,000	1,400	2,000	143
Total Bison	7,000	8,200	9,100	11,000	121
% of Canada	-	-	-	12.5	
CALF PRODUCTION (No.):	3,500	3,500	4,000	4,700	118
VALUE OF BISON PRODUCTN (\$'000):	8,000	8,500	9,300	12,000	129
EST. BISON PRICES (\$/head):					
Bred Cow	7,500	8,000	8,500	5,500	65
Breeding Bull (2+ yr)	8,500	9,000	8,750	8,750	100
Female Calf	3,700	4,000	4,750	3,000	63
Bull Calf	950	950	950	975	103
Slaughter Bull (US\$/lb carcass)	2.20	2.30	2.23	2.23	100
BISON SLAUGHTER (head):					
Inspected Slaughter in Manitoba	62	33	29	55	190
% of Canada					
EXPORTS OF BISON (head):					
To United States - breeding	431	83	132	160 ^F	121
- slaughter number	406	694	1,339	1,605	120
- slaughter value (\$'000)	872.0	1,334.8	2,137.7	3,312.7	155
To Eastern Canada	2	4	2	0	
To Western Canada	n/a	80	300	300	100
IMPORTS OF BISON (head):					
From United States	218	544	250	125	50
From Western Canada	600	1,000	200	300	150
From Eastern Canada	49	100	50	76	152
NORTH AMERICAN PER CAPITA DISAPPEARANCE:					
Bison meat (carcass weight (kg))	0.01	0.01	0.01	0.01	100

BISON INDUSTRY CHART, 1999



DATA SOURCE: Manitoba Agriculture & Food, Statistics Canada, Agriculture & Agri-Food Canada,



1999 EXPORTS OF BISON Million Dollars



1999 IMPORTS OF BISON Million Dollars



GOAT SECTOR



GOAT SECTOR PROFILE

Production:

The Manitoba goat industry is comprised of two main sectors, meat and dairy, as well as smaller sectors, such as those for wool and pets. Manitoba dairy goats are derived from the European breeds, while meat goats are mostly the Boer goat breed. The main "wool" goat breed is the Angora goat, which produces mohair. There are few Angora goats in Manitoba.

Although much smaller than the cattle and hog industries, Manitoba's meat goat industry is the sixth largest in Canada, producing about five-six percent of national goat production annually and over 0.3 percent of total North American meat goat production. Meat goat production in Manitoba increased fairly steadily from 1986 to 1996, but has expanded significantly in the past three years, partly due to the current period of profitable prices.

In mid-May, 1996, according to Statistics Canada's Census of Agriculture, Manitoba's 515 operators had 7,213 goats on farms, an increase of 22 percent from the 1991 level. Of these, one major producer and two smaller producers had about 550 dairy goats. Only one dairy goat operation remained in 1999. There were approximately 450 milking goats on the one farm. About 650 meat goat producers had an estimated 11,000 goats on July 1, 1999, an increase of ten percent from 1998. Meat goat production was valued at about \$1.1 million in 1999, a rise of 183 percent from 1998, while goat dairy products were estimated at \$0.2 million.

Marketings, Slaughter and Exports:

Meat goats are marketed through Manitoba auction markets, slaughtered in provincially-inspected plants in Manitoba on a custom-kill basis or for the retail and restaurant markets, custom killed on farms, mainly for/by the ethnic trade, shipped to Eastern Canada or sold as breeding stock to countries, such as the United States.

Provincially-inspected plants in Manitoba killed 224 goats in 1999, a decrease of five percent from 1998. About 4,000 goats were slaughtered on farms for/by customers.

In 1999, 4,000 goats were shipped to Ontario and Quebec for breeding stock or slaughter, up from 3,293 in 1998. In addition, about 1,000 Manitoba breeding goats were sold to Alberta and Saskatchewan and 120 breeding goats, valued at \$63,514, were exported to the United States and Mexico.

An estimated 200,000 litres of goat milk was pasteurized and sold as fluid milk to retail outlets in the Prairie provinces and Northern Ontario or processed into cheese, such as feta cheese.

Potential:

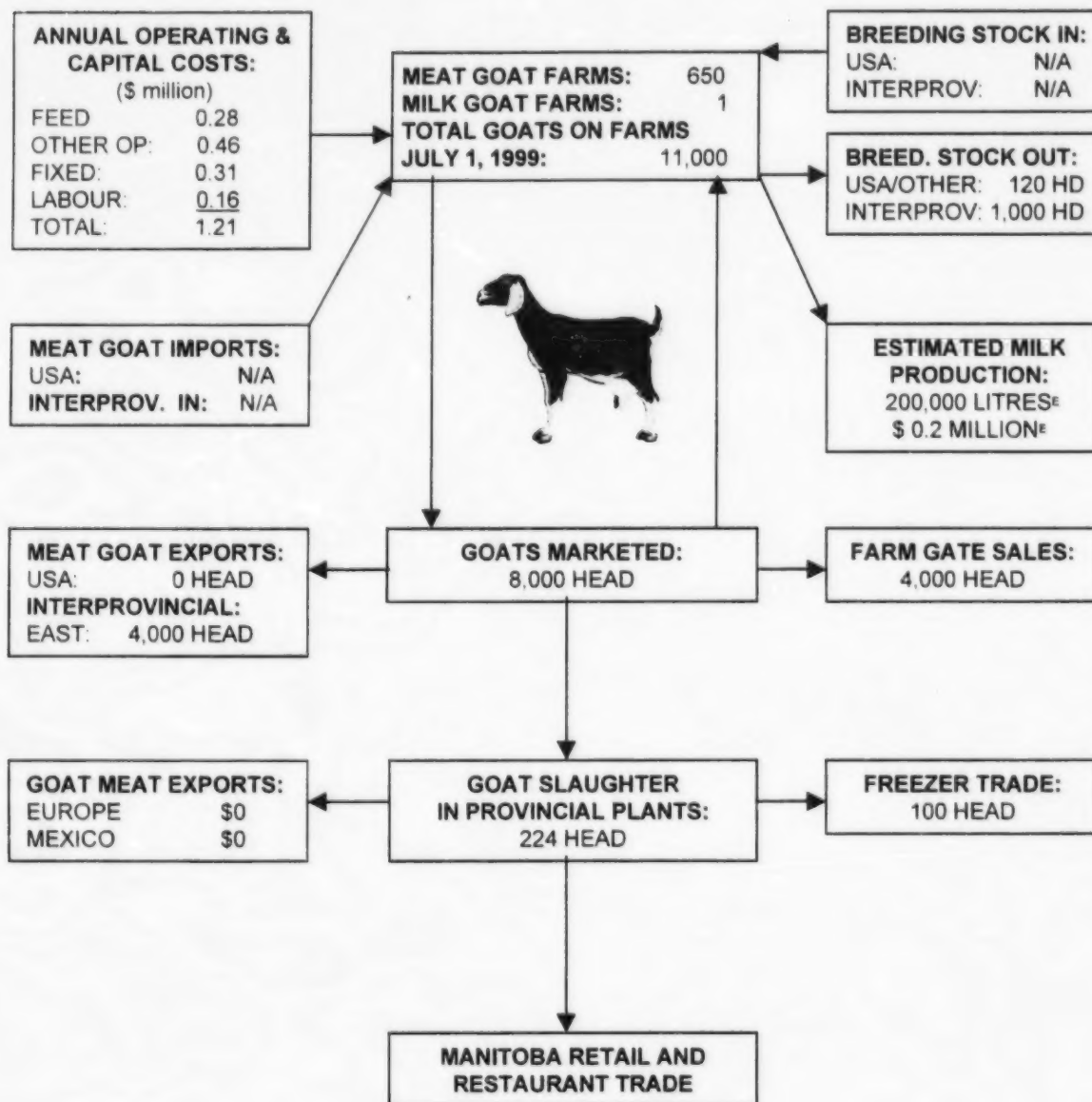
Manitoba has the potential to continue to increase goat production to supply meat to domestic markets, particularly for the ethnic trade, as the product is competitive with other meats. There is potential for increasing breeding stock sales to the U.S. and Mexico. Export markets for meat and hides, particularly in Mexico and Europe, have potential in the future.



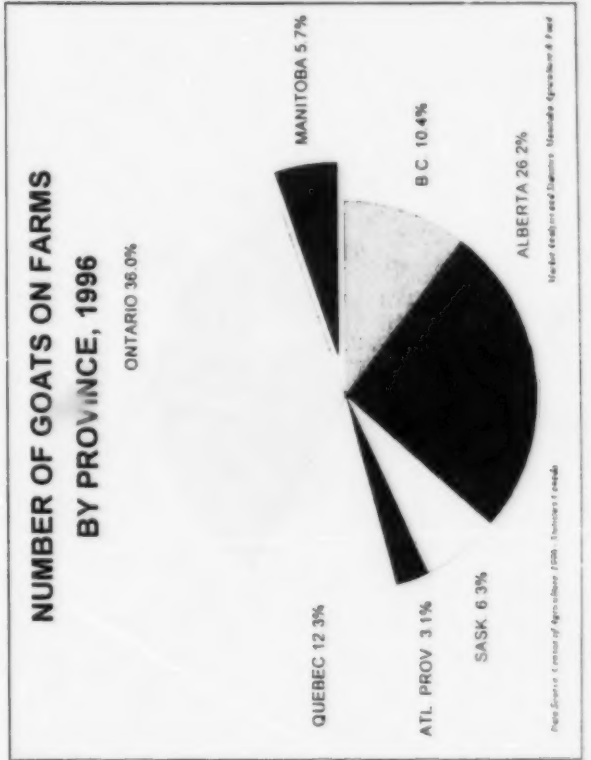
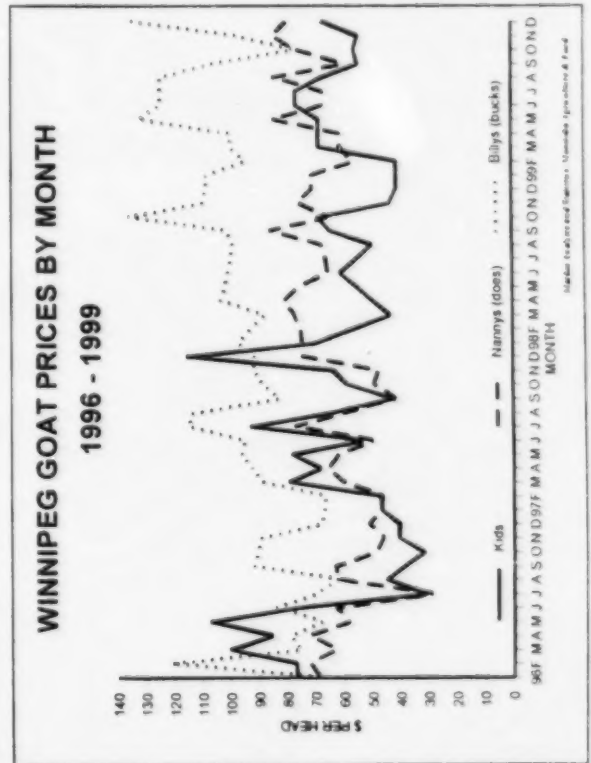
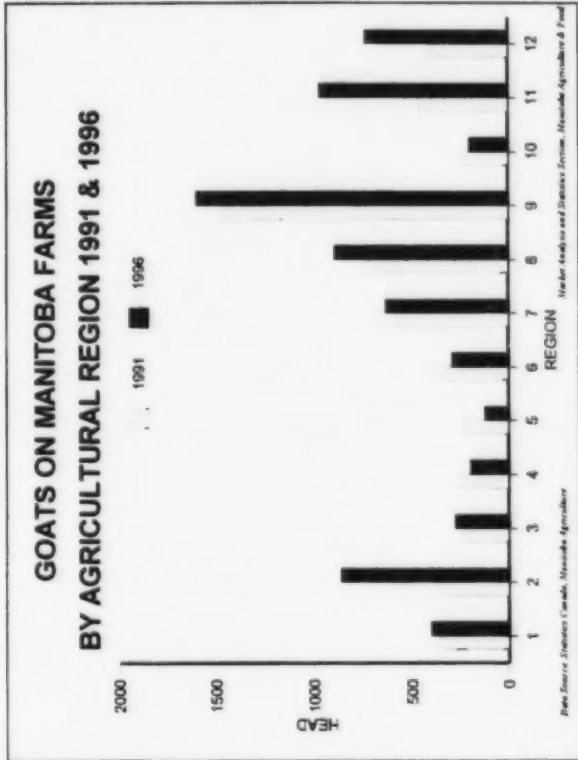
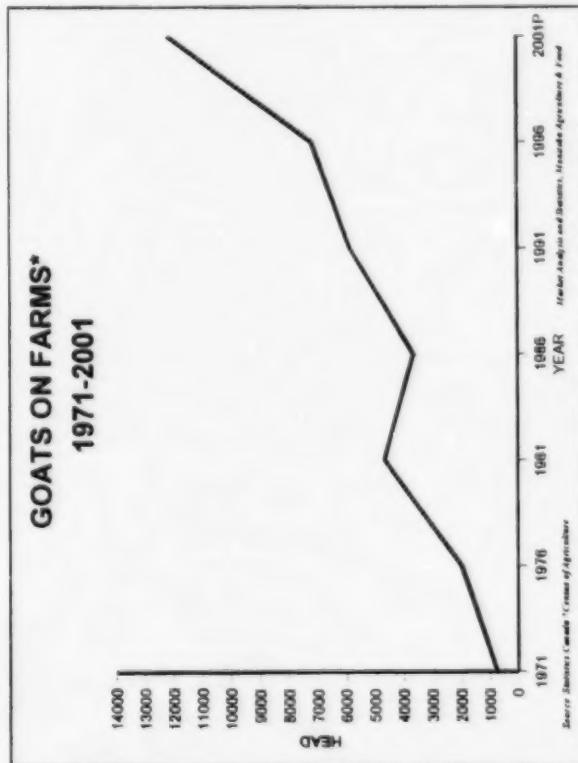
GOAT SECTOR

	<u>1996</u>	<u>1997</u>	<u>1998^R</u>	<u>1999^P</u>	<u>'99 as a % of '98</u>
NO. OF GOAT FARMS:	515	550	652	651	100
% of Canada	6.2				
Meat Goats	512	548	650	650	100
Milk Goats	3	2	2	1	50
GOATS ON FARMS JULY 1:					
Milk Goats	550	550	550	410	75
Total Goats	9,500	8,400	10,000	11,000	110
% of Canada	5.0				
MEAT GOAT MARKETINGS:	7,000	6,000	6,600	8,000	121
VALUE OF GOAT PROD. (\$million):	1.0	0.9	1.1	1.2	109
Meat Goats (est)	0.5	0.4	0.6	1.1	183
Milk Goats (est)	0.5	0.5	0.5	0.2	40
GOAT PRICES - WINNIPEG (\$/head):					
Kids	61	70	55	64	116
Nannys (Does)	58	58	74	73	99
Billys (Bucks)	82	93	106	109	103
GOAT SLAUGHTER (head):					
Inspected Slaughter in Manitoba	254	265	237	224	95
Custom Killed on Farms (est.)	2,000	3,000	3,500	4,000	114
EXPORTS OF GOATS:					
To Other countries: Number	12	41	18	120	666
Value(\$)	9,505	27,220	23,020	63,514	276
To Eastern Canada	4,621	2,697	3,293	4,000	121
To Western Canada	n/a	n/a	n/a	1,000	
IMPORTS:					
Goats from W.Canada/U.S.	n/a	n/a	n/a	n/a	

GOAT INDUSTRY CHART, 1999



DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada, Manitoba Goat Association



1999 EXPORTS OF GOATS

Thousand Dollars



1999 IMPORTS OF GOATS

Thousand Dollars

